

# **Federal Election Commission**

## **Annual Report 1981**



**Federal Election Commission  
1325 K Street, N.W.  
Washington, D.C. 20463**

## **Commissioners**

Frank P. Reiche, Chairman  
Danny Lee McDonald, Vice Chairman  
Joan D. Aikens  
Lee Ann Elliott  
Thomas E. Harris  
John Warren McGarry

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William F. Hildenbrand, Secretary of the Senate

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Charles N. Steele, General Counsel



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

June 1, 1982

The President of the United States  
The U.S. Senate  
The U.S. House of Representatives

Dear Sirs:

We submit for your consideration the seventh annual report of the Federal Election Commission, as required by the Federal Election Campaign Act of 1971, as amended. The 1981 Annual Report describes the activities performed by the Commission in carrying out its duties under the Act. The Commission will submit its annual recommendations for legislative action in a separate report.

Respectfully,

A handwritten signature in cursive script that reads "Frank P. Reiche".

Frank P. Reiche  
Chairman

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The Federal Election Commission emphasized two objectives in 1981: completing the Presidential public funding program and increasing the efficiency of its operations. This report describes the accomplishments and operational changes that enabled the Commission to meet these objectives. Chapter 1 examines the Commission's wrap-up of the 1980 Presidential public funding program. The chapter summarizes the Commission's final certifications and audits and presents statistical information on the primary campaigns. Appendix 3 contains more detailed statistics on the entire public funding program. Chapter 2 reports on non-Presidential programs, and Chapter 3 discusses legislative activity pertinent to the Federal election laws. Note that this year's recommendations for legislative change will be submitted in a separate report to the Congress and the President. Finally, Chapter 4 describes the Commission's internal operations, including new appointments, budget activity and developments in the labor/management contract negotiations.

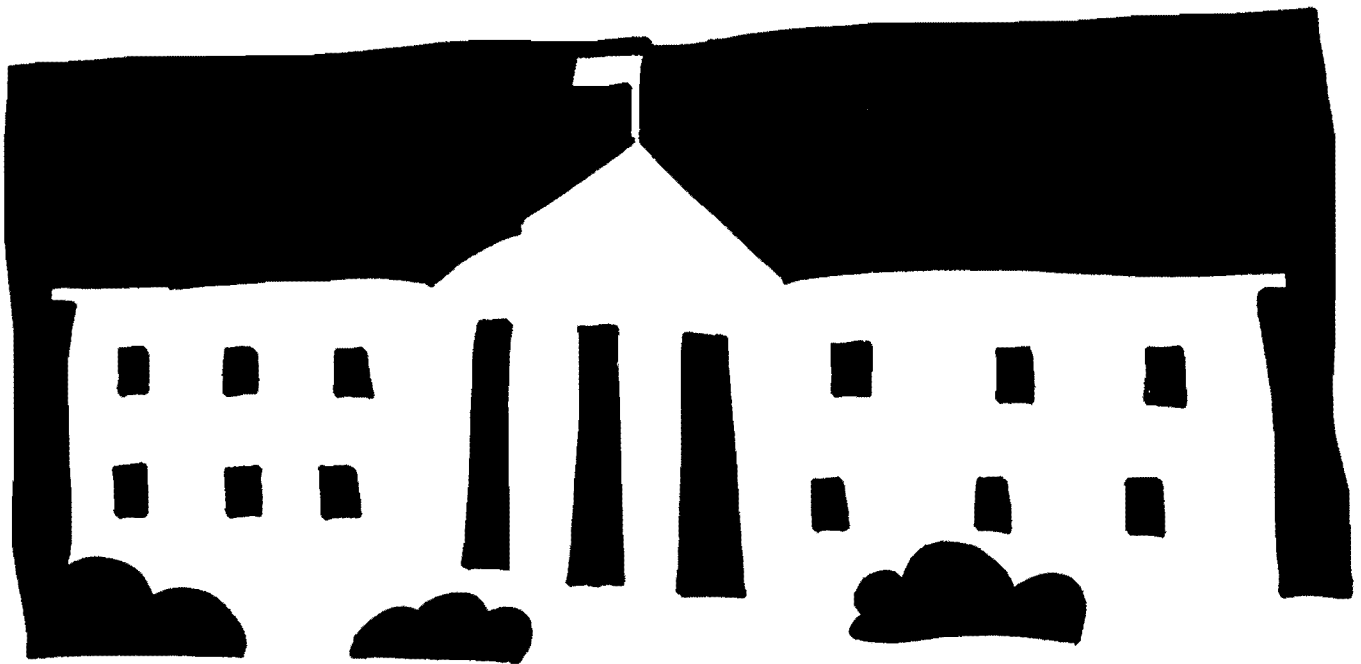
# Chapter 1

## Completion of the Presidential Public Funding Program

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The Commission laid the groundwork for the 1980 Presidential public financing program in 1978 and 1979 when it revised regulations and developed new procedures to facilitate smooth administration of the program. In 1980, the Commission began to execute the program, certifying primary, convention and general election funds efficiently and initiating audits of recipients of public funds.<sup>1</sup>

In 1981, the Commission completed its administration of the program, focusing mainly on audits of committees that had received public funds. By the year's end, the Commission had publicly released all final audit reports on publicly funded candidates, which included determinations of how much money the committees had to return to the U.S. Treasury.



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<sup>1</sup>For a discussion of the Commission's 1979 and 1980 Presidential funding activity, see the *Annual Reports* for those years.

Two FEC reports, mandated by the public financing law, contained detailed information on public funding certifications and repayments for the primary and general elections. Appendix 3 contains much of the statistical information presented in the public funding reports, which the Commission submitted to the Senate and House of Representatives early in 1982.

This chapter describes the Commission's 1981 public funding activity and includes financial statistics on primary campaigns, information on public fund repayments and a summary of litigation relating to Presidential elections.

## Primary Matching Funds

### Certifications

During the early months of 1981, the Commission continued to receive submissions (requests) for matching funds and resubmissions of contributions previously rejected as unmatchable. From October 1979, when it received the first matching fund requests, until March 1981, when almost all of the certifications were completed, the Commission processed 152 submissions and 27 resubmissions. By the end of 1981, the Commission had certified a total of \$31,342,058<sup>2</sup> in primary matching funds to the 10 candidates participating in the program.

### Audits and Repayments

The Commission completed all audits of primary matching fund recipients with the public release of five final audit reports in 1981. The first five reports had been issued in 1980. Audit findings revealed that some campaigns had difficulty conforming to the State spending limits<sup>3</sup> and exceeded those limits by greater amounts than in the 1976 Presidential primaries. The New Hampshire and Iowa expenditure limits presented the greatest

problems because the State limits were considered to be low in comparison to the strategic importance of the races. On the other hand, 1980 publicly funded committees documented campaign expenses more thoroughly than had the 1976 Presidential committees. The Commission attributed this improvement to clearer regulations, a bookkeeping and accounting manual distributed early in the campaign and an extensive outreach program. (See page 12 of the *1980 Annual Report*.)

Final audit reports requested a total of \$2,391,576 in repayments of primary matching funds to the U.S. Treasury. Over half of the repayments represented surplus campaign funds unspent by the campaigns. The remainder related to expenditures in excess of State limits and other "nonqualified campaign expenses."<sup>4</sup> Nonqualified campaign expenses included inadequately documented expenditures and expenses related to the general election (rather than the primary elections).

### Financial Activity of the Campaigns

In November 1981, the Commission completed and released a comprehensive study on 1980 Presidential primary financial activity. The report, *1979-80 FEC Report on Financial Activity for Presidential Pre-Nomination Campaigns*, was the final statistical study in a series issued periodically during 1980. Covering a two-year period from January 1979 through December 1980, the report focused exclusively on money raised and spent by 16 Presidential candidates, all of whose financial activity exceeded

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<sup>3</sup>The election law requires matching fund recipients to limit primary campaign expenditures in each State to \$200,000 or \$.16 x the Voting Age Population (plus a cost-of-living adjustment), whichever is greater. The Commission has recommended that Congress remove the State spending limits. See the *1980 Annual Report*, page 6.

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<sup>2</sup>The Commission certified an additional \$1,070 in February 1982, bringing the total of primary matching funds certified to \$31,343,129.

<sup>4</sup>The public funding law requires a candidate to make repayments when the campaign makes disbursements for nonqualified campaign expenses. Disbursements not related to the primary campaign and spending in excess of State limits or the national limit are considered nonqualified campaign expenses.

\$100,000. Included in the report were the 10 candidates who received primary matching funds to help finance their campaigns.

Based on figures from the report and a November 15 Commission press release, Table I compares 1976 and 1980 matching fund recipients with respect to their receipts and disbursements. In comparing the two election cycles, inflation and the difference in the number of candidates should be taken into consideration.

**Table I**  
**Presidential Campaigns Receiving Matching Funds:**  
**1976 and 1980**

	<b>1976 Presidential Primary Campaigns</b>	<b>1980 Presidential Primary Campaigns</b>
Number of Candidates	15	10
<b>Adjusted Receipts**</b>	<b>\$ 67.9*</b>	<b>\$ 94.2</b>
Individual Contributions	42.5	61.0
Nonparty Contributions	.8	1.4
Federal Matching Funds	24.3	30.9
<b>Adjusted Disbursements**</b>	<b>\$ 66.9</b>	<b>\$ 92.3</b>

Sources: 1979-80 FEC Report on Financial Activity for Presidential Pre-Nomination Campaigns (final report) and FEC press release of November 15, 1981.

\*Figures are in millions of dollars.

\*\*Adjusted receipts or adjusted disbursements are total reported receipts or disbursements minus transfers from or to affiliated committees, loan repayments, contribution refunds, and refunds or rebates received.



Table II presents an overview of the financial activity of the 10 candidates who received matching funds during the 1980 primaries. The matching fund figures represent total matching funds reported by the candidates' campaigns through December 31, 1980. The Commission certified additional funds in 1981 and 1982, which campaigns used to wind down operations and retire debts, bringing the total to \$31.3 million.

**Table II**  
**Presidential Campaigns Receiving Matching Funds: 1980\***

	Adjusted Receipts**	Individual Contributions***	Nonparty Committee Contributions	Matching Funds	Adjusted Disbursements**
Brown(D)	\$ 2.65	\$ 1.71	\$ .04	\$ .89	\$ 2.65
Carter(D)	18.55	12.93	.46	5.05	18.52
Kennedy(D)	12.29	7.75	.23	3.86	12.27
LaRouche(D)	2.14	1.55	.008	.53	2.15
Anderson(R)	6.63	3.91	.02	2.68	6.52
Baker(R)	7.14	4.20	.13	2.64	7.07
Bush(R)	16.71	10.87	.13	5.72	16.71
Crane(R)	5.24	3.47	.002	1.75	5.22
Dole(R)	1.43	.90	.045	.45	1.39
Reagan(R)	21.39	13.76	.285	7.29	19.82
<b>Total</b>	<b>\$ 94.17</b>	<b>\$ 61.05</b>	<b>\$ 1.35</b>	<b>\$ 30.86</b>	<b>\$ 92.32</b>

Sources: 1979-80 FEC Report on Financial Activity for Presidential Pre-Nomination Campaigns (final report) and FEC press release of November 15, 1981.

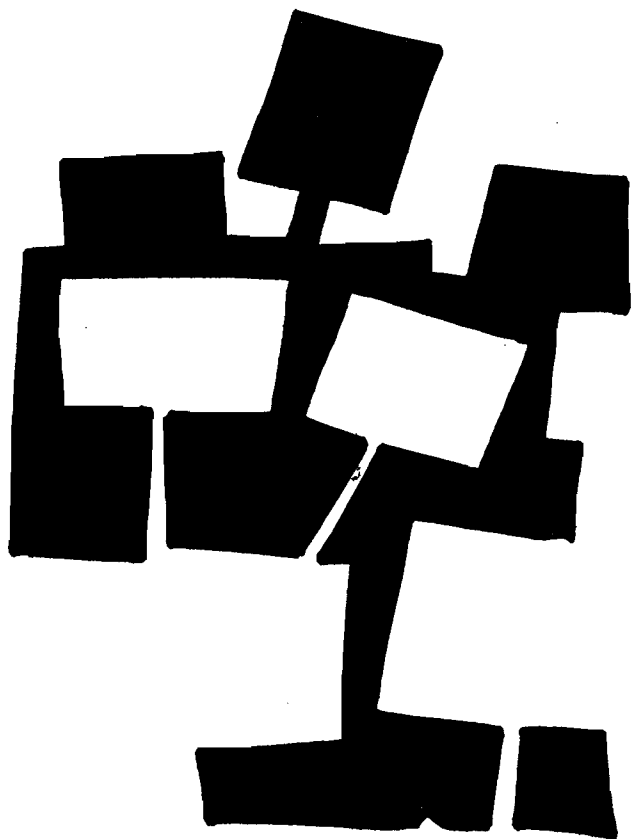
\*Figures are in million of dollars.

\*\*Adjusted receipts or adjusted disbursements are total reported receipts or disbursements minus transfers from or to affiliated committees, loan repayments, contribution refunds, and refunds or rebates received.

\*\*\*Individual contributions are total reported contributions minus itemized contribution refunds. Unitemized refunds are not included in the net calculation. See page 3 of the 1979-80 FEC Report on Financial Activity for Presidential Pre-Nomination Campaigns.

## Convention Financing

In 1980, the Democratic and Republican National Committees each received \$4,416,000 in public funds, the maximum entitlement permitted under the election law. Final audit reports, released in April 1981, requested repayments of public funds to the U.S. Treasury from both committees. The Commission requested the return of surplus public funds unspent by the committees and a small amount of public money used for nonconvention-related expenses. The repayments reduced the net amounts certified to \$3,684,335 for the Democratic National Committee and \$4,400,241 for the Republican National Committee. See also Appendix 3.



## General Election Financing

During 1981, the Commission audited the campaigns of the three publicly funded Presidential nominees and released final audit reports on each campaign: the Carter/Mondale Re-election Committee, Inc., the Reagan Bush Committee and the National Unity Campaign for John Anderson. Each major party nominee received the maximum public funding — \$29,440,000 — while John Anderson, as a new party candidate, received \$4,242,304 in public funds.<sup>5</sup>

The audit reports requested the candidates to make repayments totaling \$978,304. Most of the \$87,232 in repayments requested of the Carter/Mondale Committee was to reimburse the U.S. Treasury for interest earned on public money that the campaign had invested. The final audit report on the Anderson Committee asked for \$639,950 in repayments, most of which represented public funds determined by the Commission to be in excess of the candidate's entitlement. Finally, the Commission requested the Reagan Bush Committee to return \$251,122 in interest earned on invested public money. See Appendix 3 for more information on certifications and repayments of general election public funds.

The Reagan Bush Committee asked the District of Columbia district court to block the Commission's public release of the final audit report and to require the Commission to disclose, under the Freedom of Information Act (FOIA), internal documents related to the Reagan Bush audit. The committee argued that the Commission had no authority to make audit reports public. On November 17, the court ruled in the Commission's favor and refused to stop the release of the report. The court based its decision on the public's right to know how tax monies were being spent and on concern for openness and accountability in the operation of Presidential cam-

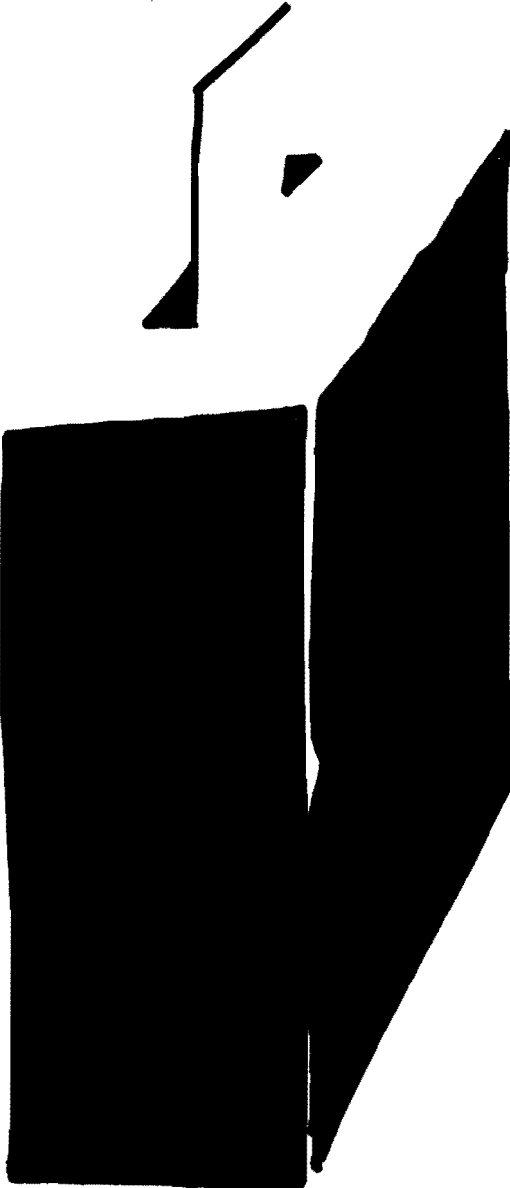
<sup>5</sup>For a discussion of the Commission's certifications for the 1980 general election, see page 16 of the *1980 Annual Report*.

paigns. Judging that the Commission had not improperly withheld any documents from the committee, the court dismissed the FOIA action. Both the district court and an appeals court denied the Reagan Bush Committee's subsequent motion to temporarily prohibit the release of the report while the committee appealed the district court's order. The Commission released the final audit report on December 11.

Another suit arising from the 1980 Presidential elections, *FEC v. Americans for Change*, was heard by the Supreme Court in October 1981. The case concerned a provision of the public funding law (26 U.S.C. Section 9012(f)) which prohibits unauthorized committees from making expenditures of over \$1,000 to further the election of publicly funded Presidential nominees. The Commission argued that the provision applied to the defendant committees' independent expenditures on behalf of Ronald Reagan. On January 19, 1982, the Supreme Court, in a 4 to 4 vote, left standing a decision by a three-judge D.C. district court. (Justice Sandra Day O'Connor did not take part in the decision.) The district court had ruled that the expenditure limits were unconstitutional. (For a more detailed summary of the district court ruling, see page 19 of the *1980 Annual Report*.)

## Chapter 2

# Administration of the Election Law



The Commission, in 1981, continued to fulfill its role as administrator of the Federal Election Campaign Act of 1971 by providing information to the public, helping committees understand the law, monitoring potential violations, enforcing the law and, finally, serving as a Clearinghouse for election administration information. The Commission refined its operations with a view toward conserving resources and promoting efficiency. This chapter discusses those Commission activities that did not specifically relate to the administration of the Presidential public financing program. First summarizing 1980 campaign finance statistics, the chapter goes on to describe new developments in the administration of the election law that occurred throughout 1981.

### Disclosing Information

#### Campaign Finance Statistics

During 1981, the Commission compiled, refined and publicly released computerized reports and indexes on the campaign finance activity of the 1979-80 election cycle. The statistics presented below summarize information contained in the Commission's studies.

*Congressional Campaigns.* The Commission released interim summary data<sup>1</sup> in August 1981 showing that a total of 2,265 Congressional candidates active in the 1980 elections collectively spent \$242 million on their campaigns, whereas 1,909 candidates spent \$197 million for the 1978 Congressional elections. During the 1979-80 election cycle, candidates who waged successful primary campaigns and then went on to be contenders in the general election spent most of the money.

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<sup>1</sup>Source: FEC press release of August 10, 1981. The final statistical study on Congressional campaigns was released in March 1982, subsequent to the preparation of this report. See *1979-80 FEC Report on Financial Activity of U.S. House and Senate Campaigns* (final report) and FEC press release of March 7, 1982.

Candidates who lost in the primaries spent less than a combined total of \$50 million. Congressional candidates raised over \$250 million during 1979-80, in comparison with the \$202 million raised during 1977-78.

Table III provides information on the total financial activity of Congressional campaigns during the 1979-80 election cycle. The figures, given in millions of dollars, include financial activity in primary, special, runoff and general elections.

**Table III**  
**Activity of 1980 Congressional Campaigns**

Candidates	Raised	Spent
<b>By Office</b>		
House	\$ 144.5	\$ 136.8
Senate	107.4	105.4
<b>By Party Affiliation</b>		
Democratic	128.7	123.8
Republican	121.9	117.1
Other	1.3	1.3
<b>By Candidate Status</b>		
Incumbent	113.7	106.3
Challenger	93.4	92.0
Open Seat	44.8	43.9
<b>Total</b>	<b>\$ 251.9</b>	<b>\$ 242.2</b>

Source: FEC press release of August 10, 1981.

**Nonparty Political Committees.** Nonparty (noncandidate) committees contributed a total of \$60.5 million to Congressional and Presidential candidates during the 1979-80 election cycle, according to interim summary figures released by the Commission in August 1981.<sup>2</sup> Senate and House candidates received a total of \$55.3 million from nonparty committees for their 1980 campaigns, and Presidential campaigns (at least 20) received about \$2 million. Nonparty committees also contributed \$3.2 million for other purposes, such as retiring debts from former Congressional campaigns.

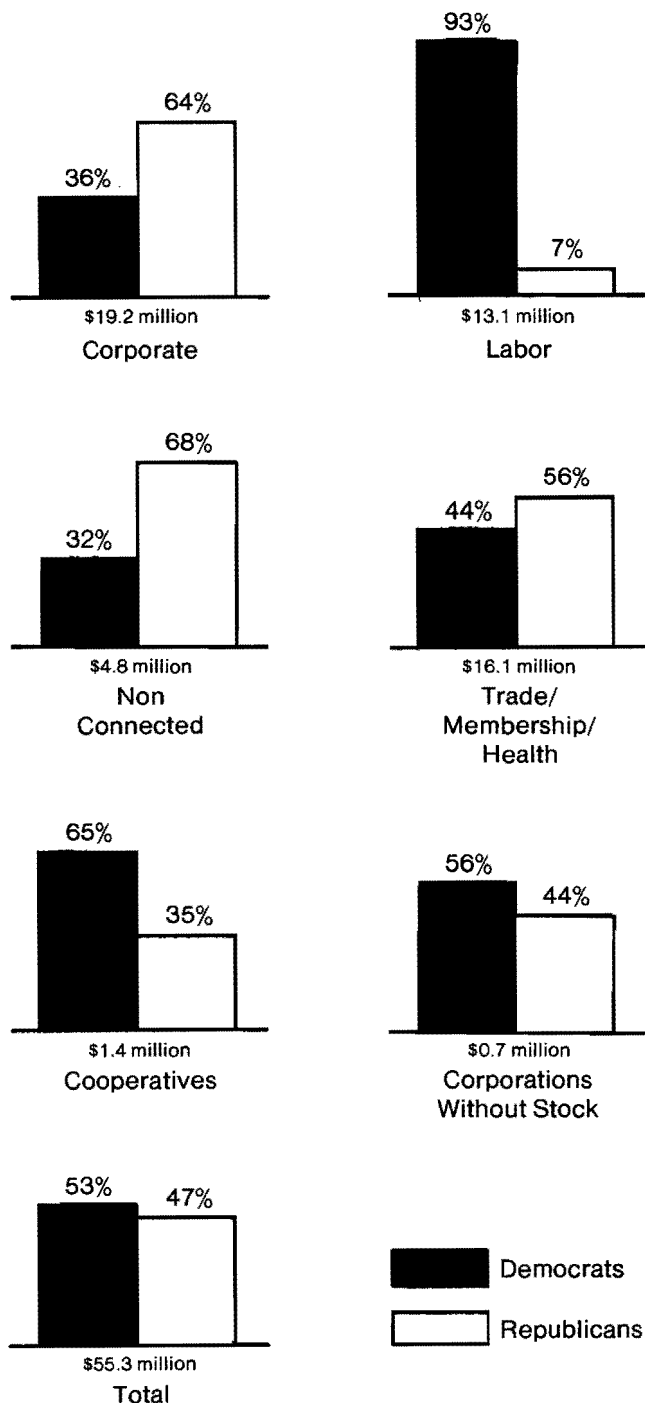
The Commission's computer data showed that nonparty committees began the election cycle with almost \$15 million. They raised an additional \$137.8 million and spent \$133.2 million between January 1979 and December 1980. Contributions to 1980 Congressional campaigns alone represented 42 percent of all nonparty committee spending. Contributions to all Federal candidates, including Presidential candidates, represented 45 percent of this spending. Most of the contributions were for 1980 campaigns, although some were made in support of past or future elections.

Nonparty committees spent approximately \$14 million, or 10.5 percent of their funds, on independent expenditures to promote or defeat certain candidates. (See the next section on independent spending.)

The charts below show, on a percentage basis, how each type of nonparty committee divided its contributions between 1979-80 Democratic and Republican Congressional candidates.

<sup>2</sup>Source: FEC press release of August 4, 1981. The final statistical study on nonparty activity was released in February 1982, subsequent to the preparation of this report. See *1979-80 FEC Report on Financial Activity of Party and Non-Party Political Committees* (final report) and FEC press release of February 21, 1982.

## Nonparty Contributions to 1980 Congressional Candidates



Source: FEC press release of August 4, 1981.

**Independent Spending.** Independent expenditures made during the 1979-80 election cycle by non-party (noncandidate) committees, individuals and other groups topped \$16 million, according to a study released by the Commission in November 1981.<sup>3</sup> Thirty-three individuals spent a total of \$1.2 million in independent expenditures; 105 non-party committees spent approximately \$14 million; and 80 groups organized solely to make independent expenditures spent \$.7 million. Under the election law, individuals or political committees may spend unlimited funds advocating the election or defeat of Federal candidates as long as these expenditures are made independently, i.e., without cooperation or consultation with the candidate or his/her campaign. (See 2 U.S.C. Section 431(17).)

Out of the \$16 million total, \$13.7 million was spent to influence the outcome of the 1980 Presidential elections. Independent spending in 1976 showed a similar pattern: of the \$2 million in total independent expenditures, \$1.6 million was spent to influence the Presidential races. Independent expenditures made on behalf of Ronald Reagan accounted for 89 percent of the total spent to influence 1980 Presidential elections. Only one-fifth of the Presidential expenditures (\$2.7 million) were made during the primary season; the remainder of the independent expenditures were made during the general election period.

Independent expenditures for and against House candidates totaled \$684,727. Spending to influence Senate races totaled \$1.7 million, and most of it — \$1.3 million — was for negative expenditures. By contrast, independent expenditures for and against Congressional candidates in the 1976 elections amounted to approximately \$400,000, split almost evenly between House and Senate races.

The Commission study showed that \$2.2 million was spent advocating the defeat of 65 candidates. This negative spending represented only 14 percent

<sup>3</sup>Sources: 1979-80 FEC Index of Independent Expenditures and FEC press release of November 29, 1981.

of total independent expenditures. However, negative spending amounted to 78 percent of the independent expenditures made in connection with Senate races.

Tables IV and V list those political committees and individuals who made the largest independent expenditures during the 1979-80 election cycle. Table VI lists the candidates for or against whom the most money was spent.

**Table IV**  
**Committees Reporting Largest Independent Expenditures**

Political Committee	Amount Spent
1. Congressional Club	\$ 4,601,069
2. National Conservative Political Action Committee	3,307,962
3. Fund for a Conservative Majority	2,062,456
4. Americans for an Effective Presidency	1,270,208
5. Americans for Change	711,856
6. NRA Political Victory Fund	441,891
7. Christian Voice Moral Government Fund	406,199
8. 1980 Republican Presidential Campaign Committee	314,740
9. American Medical Political Action Committee	172,397
10. Gun Owners of America Campaign Committee	119,891

Sources: 1979-80 FEC Index of Independent Expenditures and FEC press release of November 29, 1981.

**Table V**  
**Individuals Reporting Largest Independent Expenditures**

Individual	Amount Spent
1. Cecil Haden	\$ 599,333
2. Stewart Mott	110,179
3. Norman Lear	108,301
4. Richard DeVos	70,575
5. Jay Van Andel	68,433
6. Theo Law	66,230
7. David Melville	35,159
8. Henry Grover	29,076
9. Michael Rosen	25,940
10. Dwight Vedder	20,000

Sources: 1979-80 FEC Index of Independent Expenditures and FEC press release of November 29, 1981.

**Table VI**  
**Candidates For or Against Whom Most Independent Expenditures Were Made**

Candidate	Total Independent Expenditures	Expenditures Advocating Election	Expenditures Advocating Defeat
<b>Presidential</b>			
Ronald Reagan(R)	\$ 12,293,925	\$ 12,246,057	\$ 47,868
Edward Kennedy(D)	568,350	77,189	491,161
Jimmy Carter(D)	291,480	45,869	245,611
John Connally(R)	288,032	288,032	0
John Anderson(I)	202,073	199,438	2,635
<b>Senate</b>			
Frank Church(D-ID)	\$ 340,963	\$ 1,945	\$ 339,018
John Culver(D-IA)	246,197	59,584	186,613
George McGovern(D-SD)	255,597	3,553	222,044
Alan Cranston(D-CA)	194,324	2,285	192,039
Birch Bayh(D-IN)	181,750	1,027	180,723
Thomas Eagleton(D-MO)	124,704	22,910	101,794
<b>House</b>			
Robert Edgar(D-PA)	\$ 39,212	\$ 39,182	\$ 30
Jack Fields(R-TX)	38,376	38,376	0
Carey Peck(D-CA)	37,734	37,734	0
Harold Sawyer(R-MI)	28,131	14,219	13,912
Charles Grassley(R-IA) *	27,799	27,799	0
Harold Volkmer(D-MO)	26,917	26,917	0
W.J. "Billy" Tauzin(D-LA)	22,535	22,535	0

Sources: 1979-80 FEC Index of Independent Expenditures and FEC press release of November 29, 1981.

\*Although Senator Grassley was a 1980 Senate candidate, he also had a 1980 House campaign committee registered with the Commission. The above independent expenditures were reported on behalf of the House campaign.



**Corporate/Labor Communications.** The election law allows corporations, labor organizations and membership groups to finance internal communications that expressly advocate the election or defeat of Federal candidates (partisan communications). The organization must report costs for partisan communications when they exceed \$2,000 per election. Corporate, labor and membership groups reported spending \$3.9 million during 1979-80 for internal, partisan communications, according to a study released by the Commission in October 1981.<sup>4</sup> Of the total reported, labor organizations spent close to \$3 million, membership groups spent approximately \$1 million, and the sole corporation reporting these expenditures spent less than \$4,000.

In the 1979-80 election cycle, a total of 62 groups, including 57 labor organizations, four membership groups and one corporation, reported partisan communication costs. Eighty percent of the total reported was spent advocating the election of candidates; 20 percent was spent advocating their defeat. By contrast, communication costs reported in the 1977-78 election cycle totaled approximately \$313,000. In 1976, 71 groups, mostly labor organizations, reported spending \$2.1 million.

Table VII lists the 10 groups that reported spending the most money on communication costs during 1979-80. Table VIII lists the 15 candidates for or against whom the most partisan communication costs were reported.

**Table VII**  
**Groups Reporting Highest Partisan**  
**Communication Costs**

Organization	Total Communication Costs
National Rifle Association	\$ 803,538
American Federation of State, County & Municipal Employees	532,538
AFL-CIO	441,064
UAW	402,280
United Steelworkers of America	209,512
National Education Association	183,636
Chamber of Commerce of the U.S.	158,650
Ohio AFL-CIO	149,439
Communication Workers of America	91,475
International Union of Bricklayers & Allied Craftsmen	85,555

Sources: 1979-80 FEC Index of Communication Costs and  
FEC press release of October 9, 1981.

<sup>4</sup>Sources: 1979-80 FEC Index of Communication Costs  
and FEC press release of October 5, 1981.

**Table VIII**  
**Candidates For or Against Whom Highest Communication Costs Were Reported**

Candidate	Total Communication Costs	Costs Advocating Election	Costs Advocating Defeat
<b>Presidential</b>			
Jimmy Carter(D)	\$ 1,636,394	\$ 1,510,925	\$ 125,469
Edward Kennedy(D)	598,577	443,077	155,500
Ronald Reagan(R)	318,914	64,784	254,130
John Anderson(I)	60,003	0	60,003
Edmund Brown(D)	23,284	23,284	0
<b>Senatorial</b>			
Birch Bayh(D-IN)	\$ 44,770	\$ 44,292	\$ 478
John Glenn(D-OH)	39,093	38,551	542
Donald Stewart(D-AL)	28,256	28,256	0
Gaylord Nelson(D-WI)	27,989	15,094	12,895
Charles Mathias(R-MD)	25,309	25,061	248
<b>House</b>			
Les Aspin(D-WI)	\$ 20,642	\$ 20,642	\$ 0
Robert Kastenmeier(D-WI)	18,485	16,699	1,786
Edward Beard(D-RI)	16,484	15,804	680
Frank Thompson(D-NJ)	15,510	15,285	225
Royden Dyson(D-MD)	12,323	4,154	8,169

Sources: 1979-80 FEC Index of Communication Costs and FEC press release of October 9, 1981.

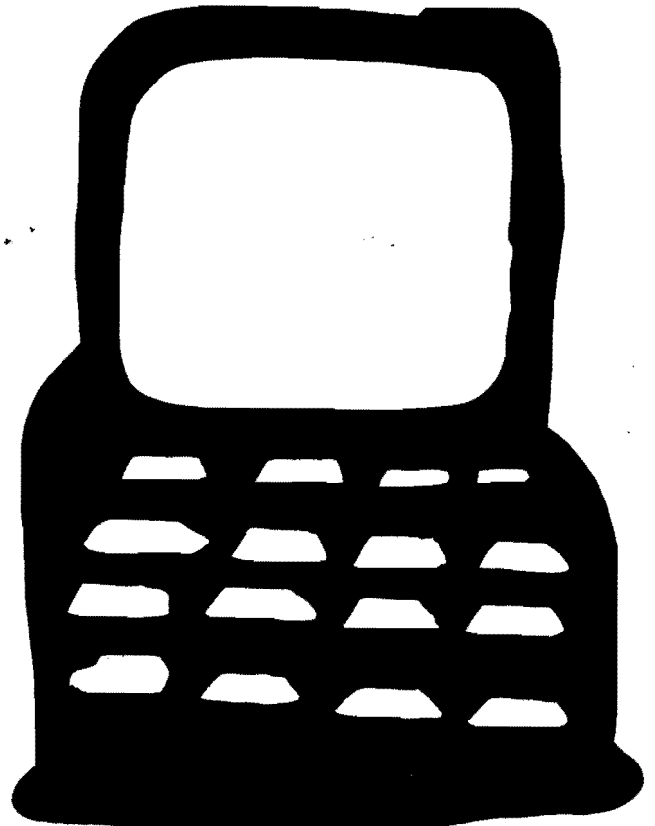
**Final Statistical Studies.** In November 1981, the Commission released a final cumulative report on primary activity of major Presidential candidates (*1979-80 FEC Report on Financial Activity of Presidential Pre-Nomination Campaigns*). Work on 1979-80 election statistics was to culminate in the release of two more final studies in the *Reports on Financial Activity* series. At year's end, the Commission anticipated release of the reports — one on party and nonparty activity and one on House and Senate campaigns — and their companion computer tapes early in 1982.

#### **Facilitating Disclosure**

In addition to releasing statistical data on the 1980 elections, the Commission initiated several changes in 1981 to facilitate public access to campaign information.

**Press Activity.** To help the media use the campaign finance information available at the Commission, and thereby ensure its wider dissemination throughout the country, the Commission issued a series of press releases on campaign finances which highlighted significant information. The releases were based on Commission reports and indexes issued throughout the year — multipaged computer printouts containing detailed information. The Commission's news releases condensed and analyzed the data, focusing on summary information that was of most interest to the press and anticipating media questions about campaign statistics. The statistical breakdowns and comparisons in the section above were taken from those releases.

In order to cut distribution costs while continuing efforts to attain national disclosure of campaign finance information, the Commission instituted a major change in its mailing policy for press releases. Previously, the Commission had accommodated anyone who requested to be placed on the mailing list. Under the new policy, the Commission limited mailings to working press only but added to its media mailing list about 150 daily newspapers throughout the country — at least one in every State. The national coverage, plus the continued



distribution of press releases to Washington-based reporters, helped broaden public knowledge of Federal campaign finance activities.

**Computer Programs.** In another attempt to make information more accessible, the Commission rewrote and streamlined its standard computer programs. The revised programs allowed the user to select and sort specific data, pinpointing areas of interest, without having to run a lengthy computer printout containing pages of unwanted information. Besides facilitating access to computer data, the refined programs resulted in a savings of paper and computer processing time.

**Computer Tapes.** In March 1981, the Commission released for public purchase computer tapes containing final information on the campaign finance activity of party and nonparty (noncandidate) committees during the 1977-78 election cycle. The

tapes contained the same information, extracted from the Commission's disclosure base, as that used to produce the final 1977-78 *Reports on Financial Activity* series.

*Microfilmed Material.* In 1981, the Commission microfilmed all agenda items discussed in open Commission meetings from 1975 through 1980 and developed a computerized subject index to help locate the documents. The microfilmed files and accompanying computer index facilitated both public and staff access to Commission agenda items. Individuals could research documents independently and efficiently. Further, by archiving old documents on microfilm, the Commission was able to conserve storage space.

Additionally, the Commission made available for public review and purchase a microfilm cartridge of all audit reports issued between 1975 and 1980. The cartridge also contained a comprehensive index with cross references to candidates and States named in the reports.

*Consolidated Index.* In another effort to help the public access information, the Commission developed a card index that consolidated information on Commission advisory opinions, completed compliance cases (matters under review or MURs) and completed audits. The Commission designed the index, available in the Public Records Office, to meet the increased public demand for records and files pertaining to a certain person or organization.

*Access to Public Records.* In order to encourage public disclosure of campaign finance records, the Commission made a concerted effort in 1981 to make the Public Records Office accessible to as many persons as possible, including Hispanics and the physically handicapped. In this regard, the Commission made available the following: a staff member fluent in Spanish; staff to assist handicapped persons in locating, using and copying Commission documents; magnifying devices to review printed material; and cassettes of campaign finance information.

## Clarifying the Law

### Work in Progress on Regulations

In 1981, the Commission pursued work on updating its regulations. Its objective was to revise problem areas in the regulations, to remove burdensome requirements and, generally, to make revisions that more accurately reflected the realities of political committee operations. The Commission believed that the suggested changes would be a step toward clarification, rather than overregulation.

Listed below are the major areas of regulatory change the Commission worked on during 1981. None of the regulations were submitted for Congressional approval because, at the year's end, the Commission had not voted on final proposed revisions.

*Corporate/Labor Communications (Sections 114.3 and 114.4).* The impetus for the proposed changes in the area of nonpartisan public communications by corporations and labor organizations stemmed from a 1980 advisory opinion (AO 1980-20). In that opinion, the Commission approved a proposal by Rexnord, Inc. to pay for a voter registration ad in a general circulation newspaper. Rexnord's name was included in the ad. The Commissioners, upon approving the opinion, directed the General Counsel's office to draft new regulations permitting such corporate/labor communications, with appropriate restrictions to ensure that the activity was nonpartisan and aimed at the general public, rather than a specific group.

A Notice of Proposed Rulemaking, published in the *Federal Register*,<sup>5</sup> also listed other possible revisions involving nonpartisan corporate/labor communications to the general public. It included, for example, revisions that would permit corporations and labor organizations to prepare and distribute voting records of Members of Congress and voter guides that set forth the positions of candidates on

<sup>5</sup>See 46 *Fed. Reg.* 44964 and 45784, September 8 and 16, 1981, respectively.

various issues. On October 26, the Commission held a public hearing on the proposed revisions, at which nine witnesses presented testimony.

*Collecting Agents/Joint Fundraising (Sections 102.6 and 102.7).* On September 30, 1981, the Commission published a Notice of Proposed Rulemaking (46 *Fed. Reg.* 48074), suggesting revisions to Section 102.6 and proposing a new Section 102.7. The rulemaking notice sought to establish procedures for collecting agents and for joint fundraising, amplifying guidelines that had been previously set out in several advisory opinions. (Collecting agents, under the proposed rules, are organizations that receive and transmit contributions to separate segregated funds. Joint fundraising, under the proposed rules, refers to election-related fundraising conducted by two or more candidates, independent multicandidate committees and party committees.)

*Independent Expenditures.* On December 9, 1981, the Commission published a Notice seeking public comment on a rulemaking petition (46 *Fed. Reg.* 60273) submitted by the Committee for American Principles. The Committee asked that the definition of independent expenditure be revised so that it would not include an expenditure made in opposition to a candidate when the person making the expenditure had contact with the campaign of the targeted candidate's opponent.

*Other Areas of Change.* The Commission also drafted preliminary changes to regulations on recordkeeping, reporting, advertising and candidate use of property jointly owned with a spouse. At the end of 1981, the Commission anticipated publishing rulemaking notices in these areas in 1982.

#### **Advisory Opinions**

The Commission issued 51 advisory opinions in 1981 in its continuing effort to clarify the law. Advisory opinions are issued to persons who raise questions about the application of the law or Commission regulations to a specific transaction that

the requesting person proposes to undertake or continue. Any person who requests an advisory opinion and acts in accordance with the opinion is not subject to any sanctions under the law. An advisory opinion may also be relied upon by any person involved in a specific transaction "...indistinguishable in all its material aspects...from the activity or transaction discussed in the advisory opinion." 2 U.S.C. Section 437f(c).

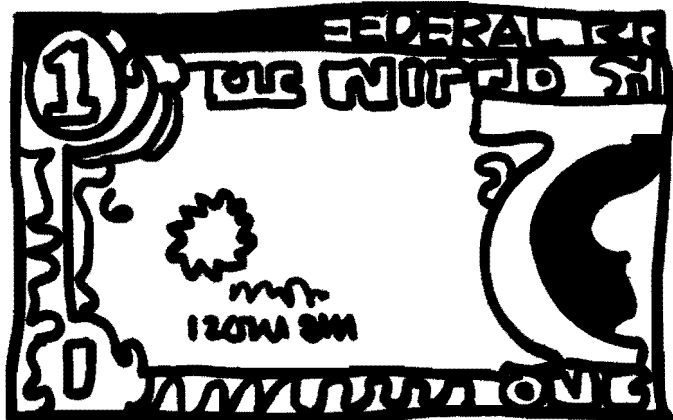
Many of the 1981 opinions dealt with the use of excess campaign funds, a typical issue in a non-election year, and with questions relating to corporate/labor activity, which have historically predominated in a nonelection year. Briefly described below are several 1981 advisory opinions selected for summary because they clarified areas never before addressed in advisory opinions or because they presented a new approach to previously considered issues.

*Reapportionment Committee.* In AO 1981-35, the Commission determined that a committee formed to influence reapportionment decisions made by a State legislature did not fall within the purview of the Federal election law. The Commission reasoned that the reapportionment process was a constitutionally mandated State activity separate and distinct from the election process by which individuals are selected for Federal office.

*Corporate/Labor Purchases for Public Affairs Program.* AO 1981-37 dealt with whether corporations and labor organizations could purchase tickets and advertisements in connection with a public affairs broadcast series moderated by a Congressman and produced by a corporation. The Commission decided that the corporate/labor expenditures were not prohibited under the election law since the major purpose of the program was not to influence the Congressman's election. The opinion superseded previous advisory opinions,<sup>6</sup> which held that

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<sup>6</sup>AOs 1975-8, 1975-13, 1975-20 and 1975-108.



speeches made by a candidate before a substantial number of his/her constituency would be considered an activity advancing his/her candidacy. (The public affairs program was broadcast in a city partially situated within the Congressman's district.) The opinion also qualified AO 1977-31, which held that a corporation's employment of a candidate as an announcer constituted a prohibited contribution to his campaign.

*Investments Containing Prohibited Funds.* The Commission considered two advisory opinion requests that asked whether contributions to a separate segregated fund<sup>7</sup> could be jointly invested with funds not permissible under election law. In AO 1981-20, the Commission decided that a Federal separate segregated fund (containing permissible contributions) and a related State separate segregated fund (containing corporate and other prohibited contributions) could **not** jointly invest their funds in a single treasury bill. The Commission concluded that the joint investment would have resulted in a prohibited contribution from the State fund to the Federal fund because the State fund would have been conferring a financial benefit on the Federal fund. The Federal fund, on its own, could not have met the treasury bill's minimum purchase price.

In AO 1981-19, however, the Commission permitted a separate segregated fund to invest in a money market fund using its own political account (containing permissible contributions) and its administrative account (containing prohibited corporate treasury funds). The decision was based on the fact that any financial benefits resulting from the joint investment would be conferred on the administrative account and not on the political account, since the latter already had sufficient funds to make the investment on its own, while the administrative account could only meet the minimum purchase requirement by adding its funds to those of the political account. The opinion was conditioned on the separate segregated fund's following procedures that would avoid any commingling of the two accounts when the investment was withdrawn.

*Unions' Payment for Payroll Deduction Plan.* In AO 1981-39, the Commission considered an arrangement whereby labor unions would reimburse a corporation for the administrative costs of operating a payroll deduction plan for the unions' separate segregated funds. (Under the election law, when collecting contributions to their separate segregated funds, unions with members employed in a corporation may use whatever solicitation plan the corporation uses. They must, however, reimburse the corporation for the use of the plan.) The Commission allowed the unions and corporation to reflect, in a collective bargaining agreement, the estimated costs of administering the unions' payroll deduction plans.

*Testing-the-Waters Activities.* In AO 1981-32, the Commission concluded that 14 activities proposed by former Florida Governor Reubin Askew could be excepted, at least for the present, from the definition of "contribution" or "expenditure" under Commission regulations and could be financed as testing-the-waters activities. The proposed activities, which ranged from employing political consultants and pollsters to speaking to groups on public issues, would constitute testing-the-waters activities as long as they did not entail public political ad-

<sup>7</sup>Separate segregated funds are political committees established and sponsored by corporations, labor organizations and incorporated membership organizations.

vertising or represent the establishment of a campaign organization. However, if circumstances indicated that Governor Askew had moved beyond the process of deciding whether or not to become a candidate and into the process of planning his campaign, he would become a candidate. Under those circumstances, the proposed activities would constitute expenditures under the election law, rather than testing-the-waters activities.

*Corporate Distribution of Position Paper.* In response to a request by the Chamber of Commerce (a nonprofit corporation), the Commission decided in AO 1980-128 (issued in 1981) that the organization could prepare a position paper on issues and distribute it to "pro-business" Congressional candidates without making a prohibited corporate contribution. The paper, which presented the Chamber's recommendations on how to remedy inflation, did not call for the election or defeat of candidates and did not constitute a contribution ("thing of value") to the candidates because it was not primarily designed for use in their campaigns.

*Donations by Savings and Loan Association.* In AO 1981-33, the Commission determined that a Federal savings and loan association's donations of table favors and raffle prizes to local political clubs would result in prohibited in-kind contributions. The association's proposed payments for ads in the clubs' journals were also rejected by the Commission on the same grounds. Although the donations and payments were to have been used primarily for local, rather than Federal, political activity, the transactions would still have been impermissible because the election law specifically prohibits a Federally chartered corporation (such as the savings and loan association) from making contributions in connection with any election — local, State or Federal.

*Exchange of Mailing Lists.* The Commission approved a candidate committee's proposed exchange of contributor lists of corresponding value with other political committees, individuals, organizations and corporations. In AO 1981-46, the Com-

mission decided the exchange of names of equal value would not result in a contribution to the candidate committee; nor would the value of the names be considered a contribution or have to be reported.

*Legislative Fund Transferred to a Separate Segregated Fund.* The National Association of Retired Federal Employees (NARFE) requested an opinion on the proposed transfer of funds from its Anti-Merger Fund (a legislative fund established to oppose the merger of the social security and Federal retirement systems) to NARFE's separate segregated fund. In its response to NARFE's request, AO 1981-34, the Commission said NARFE could transfer the funds because the Anti-Merger Fund had never been commingled with NARFE's general treasury funds (which are prohibited for use in Federal elections) and because the persons who contributed to the Fund were members of NARFE, eligible to be solicited for contributions to a separate segregated fund. However, the Commission asked NARFE first to remedy the deficient notice it had used when it originally solicited contributions to the Anti-Merger Fund by adhering to specific guidelines set out in the opinion. The original solicitation had failed to provide notice that funds would be used for "political purposes" (i.e., for support of Federal candidates), as required by law.

#### **Toll Free Line and Publications**

In addition to continuing its toll free information line, the Commission provided additional clarification of the law by publishing a *Campaign Guide for Party Committees*. The *Party Guide* explained the election law's requirements as they applied to State and local party committees. The new guide marked a departure in the Commission's *Campaign Guide* series because it included an appendix on how to fill out forms. Sample forms were completed and cross referenced to explanations in the text. During 1981, the Commission prepared for 1982 publication a *Campaign Guide for Corporations and Labor Organizations*, which also included a section on the preparation of forms.



## Monitoring the Law

### Reports Review Procedures

In 1981, the Commission completed the first year of operation under new reports review procedures. Recognizing the impossibility of reviewing all reports filed, the Commission nevertheless had wanted to increase the number of reports it reviewed. To this end, the Commission established specific criteria for screening political committees' reports. The new procedures enabled the Commission to review at least 95 percent of all reports filed, in contrast to past years, when the Commission checked only 40 percent of reports.

### Termination Procedures

In August of 1981, the Commission approved new guidelines for administrative termination of political committees. Under the new guidelines, the Commission would conduct a review of all registered committees each nonelection year to determine their eligibility for administrative termination by the Commission. The Commission would terminate

those committees whose previous financial activity was minimal. After receiving an administrative termination notice from the Commission, committees would have 30 days to object to being terminated. The Commission began applying the guidelines in 1981 and, by the end of the year, had sent out approximately 720 administrative termination notices to committees.

The Commission expected a substantial savings as a result of these new procedures. Administrative terminations would eliminate the cost of sending nonfiler mailgrams to committees with minimal financial activity that had failed to file reports. Moreover, the termination of inactive committees would reduce staff time and resources spent on distributing informational materials and on coding, entering and reviewing data filed by those committees.

### Audits

During 1981, the Commission implemented new audit selection criteria, which had been developed in 1980 in response to the 1979 amendments to the election law. These amendments had required the Commission to prepare new procedures for determining which committees should be audited in order to ensure substantial compliance with the law. Application of the new audit selection policy resulted in the Commission's approval of only 25 audits of unauthorized committees; no authorized committees were approved for audit.

The Commission also implemented new procedures for processing final audit reports of non-Presidential committees. Previously, all audit reports had to be reviewed by the Office of General Counsel before being referred to the Commissioners for approval. Under the new, more efficient procedures, the Audit Division transmitted reports with no unresolved legal questions directly to the Commissioners — cutting the processing time by several weeks.

During 1981, the Commission increasingly made use of audit resources in its investigation of complaints. Because of their specialized knowledge and experience, auditors could assist in the verification of committee accounting and bookkeeping records.



## Enforcing the Law

### Processing Complaints

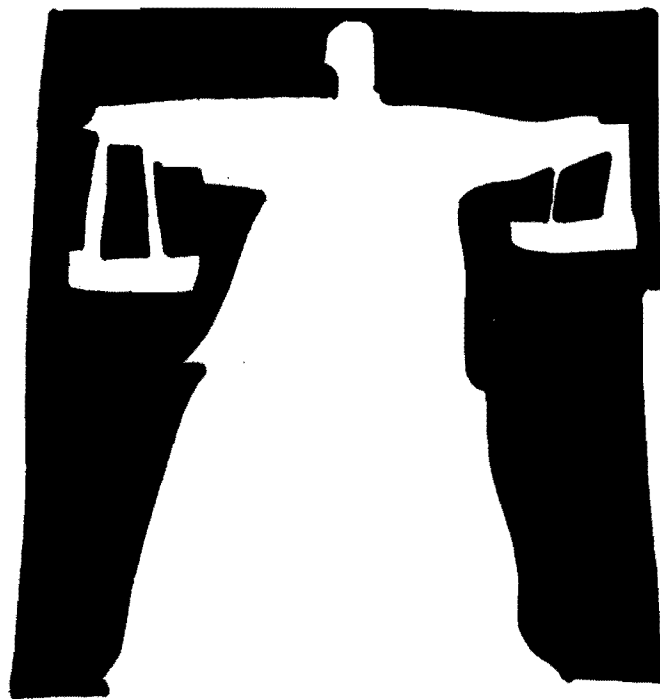
During 1980, the Commission had devoted substantial time to processing compliance matters affecting campaigns involved in the 1980 elections. In 1981, when resources were freed from expediting election-related complaints, the Commission concentrated on clearing up a backlog of cases that had accumulated. As a result, the Commission resolved a large number of compliance cases (called matters under review or MURs) in 1981.

In addition, the Commission adopted new procedures that permitted the General Counsel to grant or deny requests for extending deadlines in enforcement proceedings. Previously, the Commissioners had approved all such requests, a time-consuming process.

To expedite internal research on compliance cases and thus reduce costs, the Commission developed the first phase of a computerized indexing system for extracting information on closed MURs. By permitting FEC staff to quickly locate previous MURs dealing with similar violations, the MUR index not only cut research time but also ensured consistent legal analysis in MUR decisions. Moving into the second phase of this project in September 1981, the Commission contracted for a more detailed MUR index, expanded to include more information under a larger number of topic headings. The contract covered only the backlog of MURs; once completed, however, Commission staff would continue to update the index as cases closed. The Commission planned to make the more detailed index available to the public as well as to FEC staff.

### Summary of Litigation

Three Supreme Court cases distinguished the Commission's 1981 litigation from previous years. The suits were the first cases the Commission argued before the Supreme Court since the landmark 1976 case, *Buckley v. Valeo*. The year's litigation was also marked by a number of cases concerning the election law's restrictions on corporate/labor activity. Major cases are summarized below. (See Chap-



ter 1 for a summary of the Supreme Court's decision in *FEC v. Americans for Change*.)

*Challenges to Commission's Dismissal of Complaints.* During 1981, the courts upheld the Commission's action in dismissing four complaints. The suits helped clarify the standard of review for Commission dismissal of compliance actions under Section 437g(a)(8) of the election law.

The Supreme Court upheld the Commission's dismissal of a complaint in the consolidated cases, *FEC v. Democratic Senatorial Campaign Committee (DSCC) and National Republican Senatorial Committee (NRSC) v. DSCC*. In its complaint, DSCC had challenged as unlawful the spending arrangements set up by NRSC and certain State Republican Party committees. The State committees had, in written agreements, transferred to NRSC their spending authority for "special" coordinated party expenditures (2 U.S.C. Section 441a(d)(3)) on behalf of 1978 Senate candidates. In dismissing the complaint, the Commission maintained that Congress had not intended to prohibit the type of intraparty arrange-

ments used by the Republican Party committees. On November 10, 1981, the Supreme Court affirmed the Commission's interpretation, judging that it was reasonable and consistent with a provision in the law that authorizes unlimited transfers of funds among committees of the same party. Moreover, the Court accepted the Commission's use of the General Counsel's report as the basis for its decision in the complaint.

In two 1981 cases, plaintiffs argued that the Commission acted contrary to law in dismissing complaints alleging that separate segregated funds had used coercion when soliciting contributions. *Archie Brown v. FEC* concerned a complaint alleging that Mr. Brown's local union had attempted to coerce him to contribute to the union's separate segregated fund by denying him membership because he refused to contribute. The district court upheld the Commission's conclusion that there was no evidence of coercion but there was clear evidence that the union had denied Mr. Brown membership because his union dues were unpaid. In appealing the district court decision, Mr. Brown contended that the General Counsel's report on his complaint, presented to the Commission, afforded "an inadequate basis for informed judicial review." On November 27, 1981, the appeals court affirmed the lower court decision in an unpublished memorandum stating that the General Counsel's report constituted sufficient grounds to dismiss a complaint and upholding the Commission's action in the matter.

In *International Association of Machinists and Aerospace Workers (IAM) v. FEC*, plaintiffs had filed a complaint alleging that 11 corporations had systematically violated 2 U.S.C. Section 441b(b)(3)<sup>8</sup> by soliciting contributions to their separate segregated funds from "unprotected" administrative personnel under "inherently coercive conditions." Recognizing the deference to be accorded

to the Commission's determination, the district court affirmed the Commission's dismissal of the complaint on December 16, 1980. The court concluded that the challenged solicitation practices were not prohibited under election law and that the complaint presented no direct evidence of wrongdoing. In October 1981, the court of appeals *en banc* unanimously upheld the Commission's dismissal of the complaint.

A second part of the case concerned IAM's motion to certify constitutional challenges to Section 441b(b)(3) to the appeals court. The district court granted the motion in June 1981, and the constitutional questions were subsequently argued before the court of appeals *en banc*. At the end of 1981, the court had not yet issued a decision.

Mr. Richard Kay, claiming the Commission had acted contrary to law in dismissing a complaint, filed suit in *Kay v. FEC*. His complaint had alleged that a full-page chart published in a newspaper, *The Plain Dealer*, before the 1980 Ohio Presidential primary was a political advertisement by the publishing company and therefore constituted a prohibited corporate contribution. The chart carried photographs of three Presidential candidates and summarized their positions on campaign issues. Rejecting his complaint, the Commission said the law had not been violated because the chart fell under an election law provision that exempts news stories from the definitions of contribution and expenditure. On April 21, 1981, the district court found that: "The Commission's action, based on the General Counsel's recommendation...was plainly consistent with the law." In December 1981, the appeals court upheld the lower court decision.

*Enforcement of Commission Orders and Subpoenas.* In several cases pursued in 1981, the Commission asked the courts to enforce orders and subpoenas it had issued in investigations of complaints. Between December 1980 and January 1981, the Commission filed four separate suits in district courts seeking enforcement of its subpoenas to three "draft Kennedy" political committees, which had been active in promoting Senator

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<sup>8</sup>Under this provision of the election law, solicitations are considered noncoercive if they inform solicitees of 1) the political purpose for which contributions will be used and 2) of their right to refuse to contribute without reprisal.

Edward Kennedy's Presidential candidacy during 1979, and to the Machinists Non-Partisan Political League (MNPL), a separate segregated fund that had supported the formation of "draft Kennedy" groups in 1979. The suits resulted from the groups' failure to comply with subpoenas issued by the Commission as part of an investigation.

The Commission had received a complaint alleging that nine political committees were affiliated and therefore subject to a single \$5,000 limit on the contributions they accepted from a multicandidate committee. The complaint further alleged that the draft committees had received, and MNPL had given them, contributions in excess of the \$5,000 limit. After finding reason to believe the draft committees and MNPL had violated the election law, the Commission issued subpoenas to the groups, as part of its investigation of the draft committees' alleged affiliation.

Continued refusal by the four defendants to comply with the subpoenas prompted the Commission to seek enforcement in the district courts. Judging that the subpoenas met judicial guidelines for enforceability and were within the agency's authority, the district courts ordered their enforcement. One of the defendant draft committees complied with a Wisconsin district court enforcement order. The second draft committee, appealing a Florida district court's order, had not complied with the Commission's subpoena at the end of 1981 because the appeals court had granted the committee's application for a stay of the enforcement order.

The situation was different in the case of the third draft committee, Citizens for Democratic Alternatives in 1980, and MNPL, the separate segregated fund of the International Association of Machinists. The D.C. district and appeals courts denied the stay applications requested by the two groups; the Supreme Court also denied a further application made by MNPL. The appellants then produced all documents requested by the Commission.

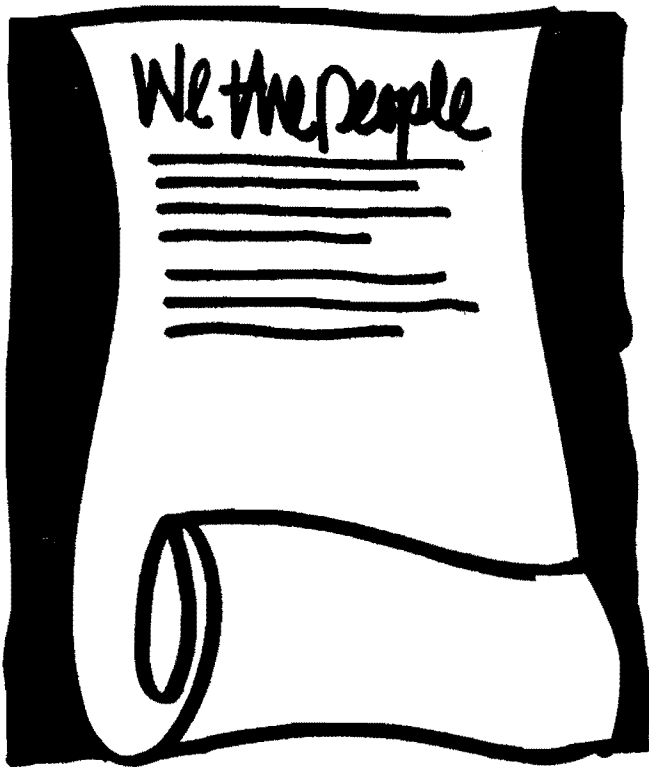
However, after hearing the cases, *FEC v. Citizens for Democratic Alternatives* and *FEC v. MNPL*, the D.C. appeals court issued its opinions on May 19,

1981. Finding that the Commission "lacked subject matter jurisdiction over the draft activities," the appeals court vacated the district court's orders enforcing the subpoenas. The appeals court limited its decision to the provisions of the election law prior to the 1979 amendments and stated that the contribution limits did not apply to the groups whose activities did not support an existing "candidate." The court did note, however, that the 1979 amendments appeared to require that "draft committees" comply with the law's reporting requirements.

In its decision, the appeals court departed from the standard for judicial review of agency subpoenas and established a new "extra-careful scrutiny" standard for enforcement of Commission subpoenas. The court reasoned that such a standard was warranted since "the activities which the FEC normally investigates differ in terms of their constitutional significance" from those of concern to other Federal agencies. On June 9, 1981, the Commission decided to seek review of the appeals court's decisions by petitioning the Supreme Court for a writ of *certiorari*. The Court declined to hear the case on October 13, 1981.

In another subpoena enforcement case, the Supreme Court, on July 2, 1981, dismissed an appeal brought by T. Bertram Lance in the case *FEC v. Lance*. An appeals court had affirmed an earlier district court decision, which had ordered the enforcement of a subpoena issued to Mr. Lance in the course of a Commission investigation into Mr. Lance's 1974 gubernatorial campaign. The district court reasoned that the subpoena was well within the Commission's "broad and inclusive" statutory authority to investigate violations. The Commission, in its investigation, was trying to determine whether Mr. Lance had received bank loans outside the ordinary course of business, in violation of the law's prohibition on contributions from national banks in connection with an election to any political office (2 U.S.C. Section 441b).

Affirming the lower court's enforcement of the subpoena, the appeals court rejected Mr. Lance's claim that the Commission was barred from dealing with campaign activities that occurred before the



enactment of the Federal Election Campaign Act in 1975. The court upheld the Commission's argument that the prohibition on bank contributions had been in effect since the passage of the Tillman Act in 1907.

Reader's Digest Association, Inc. (RDA) filed suit asking a district court to bar the Commission's investigation of a complaint alleging that the publisher's distribution of a video tape to major news outlets constituted a prohibited corporate contribution. The tape provided a computer reenactment of Senator Edward Kennedy's automobile accident at Chappaquiddick. RDA had produced the tape in connection with an article on the accident appearing in *The Reader's Digest*. The Commission had asked RDA to answer several questions concerning the video tapes and the uses RDA had made of them. In the suit, *RDA v. FEC*, RDA asserted that the video tapes fell within the news story exemption and were beyond the scope of Commission reg-

ulation. The district court, on March 19, 1981, approved the Commission's investigation, stating that the Commission was lawfully authorized to pursue its investigation "for the limited purpose of determining whether the press exemption is applicable." The court noted that the Commission had limited the scope of its investigation to the distribution of the tapes, thereby suggesting to the court that the Commission viewed the publication of the article as protected by the exemption.

In a similar suit, *Phillips Publishing, Inc. v. FEC*, Phillips sought to bar an investigation of a publication, *The Pink Sheet on the Left*. The Commission had issued subpoenas to staff of the company as part of an investigation into a complaint alleging that the company had distributed a promotional mailing for *The Pink Sheet* advocating the defeat of Senator Kennedy. The complainant believed this was a prohibited corporate expenditure. On July 16, 1981, the district court denied the Commission's petition for enforcement of the subpoenas. The court judged the Commission had sufficient information to determine whether the mailing met the criteria for the news story exemption.

**Challenge to Contribution Limits.** The Supreme Court, on June 26, 1981, upheld the constitutionality of the \$5,000 limit placed on contributions to a political committee. That election law provision, Section 441a(a)(1)(C), was challenged in *California Medical Association (CMA) v. FEC*, in which CMA claimed that the contribution limit infringed on its First Amendment rights. The Court decided that the provision did not violate CMA's rights because it was an appropriate means by which Congress could seek to protect the integrity of the contribution restrictions upheld in *Buckley v. Valeo*. CMA also claimed that the provision violated its Fifth Amendment right to equal protection by allowing corporations and labor organizations to give unlimited support to their separate segregated funds (by paying for establishment, administration and solicitation expenses), while limiting to \$5,000 a year the contributions an unincorporated association, like CMA, could make to the committee it established. Noting

that the election law placed fewer restrictions on an unincorporated association than on a corporation, the Court stated that the differing restrictions reflected Congressional judgment that the entities "require different forms of regulation in order to protect the integrity of the political process."

*Solicitations by Trade Associations.* A case argued before the Supreme Court on January 19, 1982, *Bread PAC v. FEC*, concerned the constitutionality of election law restrictions on solicitations by incorporated trade associations. The plaintiffs — two trade associations and their separate segregated funds — appealed to the Supreme Court to hear the case after an *en banc* appeals court panel upheld the restriction. Plaintiffs had claimed that the provision infringed on their First Amendment rights by requiring them to obtain prior approval of a member corporation to solicit the corporation's stockholders and personnel. The appeals court, however, found that the provision adequately balanced First Amendment freedoms against the compelling government interest in preventing corruption or the appearance of corruption in Federal elections.

Rejecting plaintiffs' claim that the provision discriminated against trade associations, the appeals court noted that incorporated trade associations are granted more avenues for solicitation than are other corporations. Plaintiffs also unsuccessfully argued that the law's failure to define "solicitation" and "trade association" abridged their First and Fifth Amendment rights. The court ruled that the term "solicitation" had a widely accepted meaning, uniformly upheld in rules and statutes using the term. Similarly, the court found that the Commission had adhered to the "plain and ordinary meaning of trade association" as defined by Commission regulations.

On March 8, 1982, the Supreme Court reversed and remanded the case to the district court on procedural grounds, holding that plaintiffs were not entitled to invoke the expedited procedures of 2 U.S.C. Section 437h. Thus, because the Court determined that plaintiffs were not eligible to bring suit under this provision, the Court did not reach

the merits of the case. There may be further proceedings on the case in the district court.

*Definition of Member.* At issue in two consolidated suits (*FEC v. NRWC* and *NRWC v. FEC*) concerning solicitations by incorporated membership organizations was the definition of "member."<sup>9</sup> Under 2 U.S.C. Section 441(b)(4)(C), an incorporated membership organization may solicit its members — but not the general public — for contributions to its separate segregated fund.<sup>10</sup> The Commission filed suit against the National Right to Work Committee (NRWC) for violating this provision, claiming that, since NRWC's bylaws and articles of incorporation stated that it had no members, the organization had unlawfully solicited nonmembers. Contending that the persons solicited *were* members, NRWC filed a countersuit claiming the solicitation provision was unconstitutionally vague and infringed on First Amendment rights.

The district court ruled in the Commission's favor and defined "members" as those "persons who have interest and rights in an organization similar to those of a shareholder in a corporation and a union member in a labor organization." The court noted that no class of persons solicited by NRWC had been given any such participation rights in NRWC.

On September 4, 1981, a three-judge panel of the appeals court reversed the district court decision, holding that the lower court's definition of "member" was "so narrow that it infringes on associational rights." The appeals court ruled that NRWC was free to solicit as members anyone who

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<sup>9</sup>Commission regulations define the term to mean "all persons who are currently satisfying the requirements for membership....A person is not considered a member...if the only requirement for membership is a contribution to a separate segregated fund." 11 CFR 114.1(e).

<sup>10</sup>The election law also allows an incorporated membership organization to solicit its executive and administrative personnel and their families.

had responded to a questionnaire and had contributed money to the corporation. On November 13, 1981, the *en banc* court denied, in a 5 to 5 vote, the Commission's petition to rehear the case; six votes would have been required for a rehearing. Late in 1981, the Commission voted to ask the Supreme Court to hear the case.

*Public Disclosure vs. First Amendment Rights.* In *FEC v. Hall-Tyner Election Campaign Committee*, the district court ruled that the election law's disclosure and recordkeeping requirements would abridge the First Amendment rights of Communist Party supporters. The Commission brought suit against the Hall-Tyner Committee, the principal campaign committee of the 1976 Communist Party Presidential nominees,<sup>11</sup> because the committee had refused to reveal the names and addresses of 424 contributors, as required by law. Furthermore, the committee had failed to keep required recordkeeping information on contributors.

In its September 22, 1981 ruling, the district court noted that, although the Supreme Court, in its *Buckley v. Valeo* decision, had not created a blanket disclosure exemption for minor parties, the Supreme Court did conclude that minor parties might be able to demonstrate that they should not have to comply with disclosure provisions by showing that the provisions would have a chilling effect on contributors' rights of free association.

On examining the evidence presented by the committee, the district court found that "the record plainly reflects an extensive history of governmental harassment and public hostility directed at the Party and its members and supporters." The court decided that the infringement of First Amendment rights could not justify governmental interests served by the law's disclosure and recordkeeping requirements. The Commission appealed the decision late in 1981.

<sup>11</sup>In 1976, Gus Hall and Jarvis Tyner were the Presidential and Vice Presidential candidates of the Communist Party, U.S.A.

## Clearinghouse Activities

During 1981, the Commission's National Clearinghouse on Election Administration continued to fulfill its mission by collecting and disseminating information on the Federal electoral process, by furnishing assistance to election officials and by publishing the results of Clearinghouse research on the administration of Federal elections.<sup>12</sup> The Clearinghouse also provided data for Commission testimony before Congress on the impact of media projections on voter turnout.

### Advisory Panel

In February 1981, the Clearinghouse held the annual meeting of its Advisory Panel. The 22-member panel, composed of State and local election officials, discussed problems encountered in administering the 1980 Federal elections. Attention focused on snags in the absentee voting process and the possible adverse effects of early media projections on voter turnout. The panel also reviewed the Clearinghouse workshop program and the possible development and application of standards for voting devices used in the United States.

### Workshops

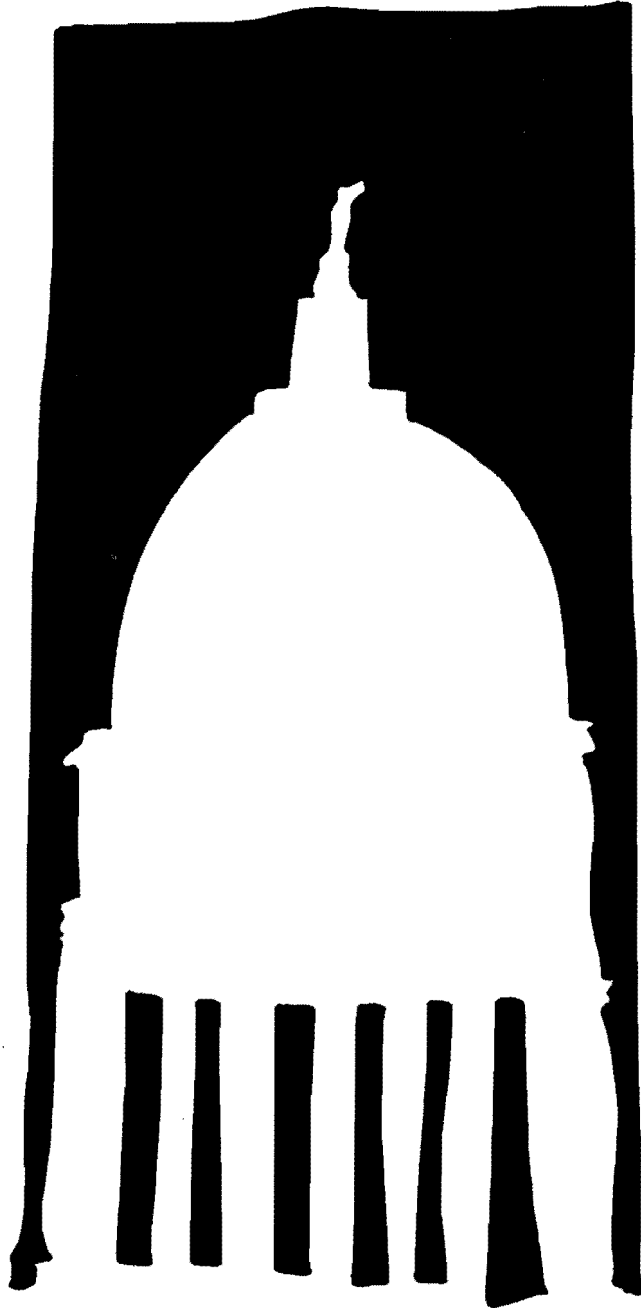
The Clearinghouse developed a series of single-topic workshops, which were derived from those offered at the Regional Conferences on Election Administration conducted in 1979 and 1980. These individual workshops, presented in sets of two or three, were held in 10 States in 1981: Alabama, Connecticut (where representatives from the New England Town Clerks Association met), Florida, Idaho, Indiana, Louisiana, Mississippi, New Jersey, Ohio and Pennsylvania.

### Voting Standards Study

Clearinghouse research activity focused primarily on a study to determine the feasibility and cost of developing standards for the various voting devices

<sup>12</sup>Appendix 9 describes Clearinghouse publications.

used in the United States — a study mandated by Congress in 1979. In cooperation with the National Bureau of Standards (NBS), the Clearinghouse discussed a workplan for the study with its Advisory Panel. This was followed by a meeting with State and local election officials in order to define the major problem areas and priorities among equipment types and components. Finally, the Clearinghouse and NBS staff visited four of the major equipment vendors and two State election offices that had made attempts to develop their own equipment approval standards. The study was expected to continue through 1982.



This chapter describes Commission activity concerning proposed changes to the Federal Election Campaign Act and summarizes one change enacted in 1981, the repeal of the honoraria limit. In a separate report, the Commission will submit its annual legislative recommendations to the President and Congress.

### Draft Committees

On August 28, 1981, the Commission sent a letter to Congress recommending immediate legislative action on amendments to the election law that would clarify the Federal Election Campaign Act's coverage of the activities of "draft" committees organized to support or influence the nomination of undeclared Federal candidates. The proposed amendments were prompted by a decision of the appeals court (District of Columbia) in *FEC v. Machinists Non-Partisan Political League* and *FEC v. Citizens for Democratic Alternatives in 1980*. The appeals court held that the Act, as amended in 1979, regulated only the reporting requirements of draft committees. See Chapter 2 for a summary of this case.

Noting that the appeals court ruling would allow "any group organized to gain grass roots support for an **undeclared** candidate" to operate "completely outside the strictures of the Federal Election Campaign Act," the Commission recommended that:

- The definitions of "contribution" and "expenditure" be modified to include funds contributed or spent "for the purpose of influencing a clearly identified **individual** rather than candidate to seek nomination for election or election to Federal office...." Sections 431(8)(A)(i) and (9)(A)(i).
- Corporate and labor organizations be specifically restricted from supporting undeclared candidates. Section 441b(b).
- The statute specifically state that contributions to draft committees are subject to the \$1,000 contribution limit. Section 441a(a)(1).



The Commission also filed a petition for a writ of *certiorari* with the Supreme Court seeking reversal of the appeals court decision. That request was denied in October 1981.

### **Commission Testimony**

On November 20, 1981, Chairman John Warren McGarry testified before the Senate Committee on Rules and Administration on proposals to amend the Federal Election Campaign Act. He was accompanied by Commissioner Joan D. Aikens. In his testimony, Chairman McGarry said that "disclosure and other campaign finance requirements would be of little value if not meaningfully enforced. Absence of effective enforcement was the one reason why prior disclosure laws were largely ignored." Chairman McGarry added that, as a result of the FEC's administration of the law, "the details of political campaigns have been disclosed to the public to a greater extent than ever before."

The Chairman noted that a number of legislative changes included in S. 1851 and S. 1899, introduced respectively by Senator Charles Mathias (R-MD), Committee Chairman, and by Senator Arlen Specter (R-PA), had been suggested by the Commission in previous annual reports. Chairman McGarry pointed out, however, that while the Commission has and will continue to recommend changes in the law, it is "bound to enforce the law as it is written" until legislative changes are made.

### **Repeal of Honoraria Limit**

On October 1, 1981, Congress modified the Federal election law by repealing Section 441i(a)(2), a provision that had placed an overall \$25,000 annual limit on honoraria that a Federal officeholder or employee could accept for speeches, appearances and articles (Pub. L. 97- 51). The \$2,000 limit on individual honorarium payments, however, continued to apply. The repeal originated as an amendment to House Joint Resolution 325, an interim funding measure that provided continuing appropriations into fiscal year 1982 for Federal programs without permanent funding.

## Chapter 4 The Commission

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### Commissioners<sup>1</sup>

Commissioner John Warren McGarry served as Commission Chairman in 1981 and Commissioner Frank P. Reiche was Vice Chairman. Both were elected in 1980 and served one-year terms as officers.

The election of new officers for 1982, scheduled for December 17, 1981, was delayed because, that same day, President Reagan named three Commissioners to serve recess appointments. (Congress was in recess at the time of the appointments.) The Commission postponed the election of officers until January 1982, after the new Commissioners had been sworn in.

Commissioner Joan D. Aikens, whose term expired in 1981, was reappointed to serve the remaining two years of former Commissioner Max L.



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<sup>1</sup>Biographical sketches of the Commissioners appear in Appendix 1.

Friedersdorf's term. (Mr. Friedersdorf, who resigned in December 1980, was succeeded by former Commissioner Vernon W. Thomson. Named in a recess appointment by President Carter, Mr. Thomson held Mr. Friedersdorf's seat for one year.) President Reagan also nominated Lee Ann Elliott, a Republican, and Danny Lee McDonald, a Democrat, to serve six-year terms as Commissioners.

## Reorganization

Under the direction of a new Staff Director, appointed in August 1980, the Commission underwent a partial reorganization. It placed all its internal service functions under the Deputy Staff Director for Management, a newly created position. Previously, Administration, Data Systems Development, and Planning and Management had reported separately to the Staff Director. The changes allowed the Deputy Staff Director to oversee and coordinate these related operations.

As part of the reorganization, early in 1981 the Commission appointed a Director of Personnel and Labor Relations, reporting directly to the Staff Director. Previously, the Personnel Office had operated under the Administration Division. The new structure facilitated more efficient decisionmaking in these two program areas, for which the Staff Director is directly responsible to the Commission.

Finally, the Commission redefined the Congressional liaison function, previously handled by the General Counsel's Office, and appointed a Director of Congressional, Legislative and Intergovernmental Affairs. By strengthening the position, the Commission hoped to maintain a more effective relationship with Congress and Executive Branch agencies. The Commission placed the new position directly under the Staff Director.

## The Commission's Budget

### Fiscal Year 1981<sup>2</sup>

The Commission never received a permanent appropriation for fiscal year 1981 but operated throughout the year under a continuing resolution of \$9.283 million. At the end of the fiscal year, the Commission received a supplemental appropriation of \$379,000 to cover the October 1980 pay raise. That brought the Commission's total fiscal year funding to \$9.662 million. Because of the funding uncertainties, in February 1981 the Commission adopted a management plan for the fiscal year of \$9,410,856. The management plan emphasized two priorities: the completion of the Presidential public funding program and the implementation of program changes stemming from the 1979 amendments to the election law. However, because of limited resources, the Commission had to cut back some of its programs. For example, it limited data entry of detailed information on contributions to those contributions of \$500 and over (rather than over \$200). As another example, the Commission discontinued its nation-wide program of campaign finance seminars.

By means of a computerized Management Information System (MIS), the Commission evaluated its adherence to 1981 management plan targets. At the end of the fiscal year, total program costs ran 1 percent under originally anticipated costs, with staff costs running 4 percent under the plan and other direct costs exceeding the plan by 5 percent. The Commission purposely kept its staff costs low by maintaining a partial hiring freeze even after the President's freeze was lifted in April 1981.

At the same time, throughout the agency, efforts were made to conserve resources and increase productivity. For example, fewer staff resources were used to enter detailed information from more reports (Pass III entry) than in previous years, with the result that productivity increased by 22 per-

<sup>2</sup>See also Appendix 5.

cent. The improved efficiency resulted, in part, from more effective procedures for recording each clerk's hourly and daily entry rates and error rates. Also contributing to reduced data entry costs was the transfer of the data entry function from the Reports Analysis Division to the Data Systems Development Division in fiscal year 1981. Reports analysts no longer helped in the initial entry of data, leaving the function to data entry personnel and permitting the analysts to concentrate on review of reports.

This change also contributed to higher productivity (up by 68 percent) in the reports review program. Other factors at work were internal management improvements, new review procedures and the adoption of audit selection criteria mandated by the 1979 amendments to the law (and described on page 30 of the *1980 Annual Report*).

As an other example of improved efficiency, the Commission processed more defensive litigation than planned — 18 suits in contrast to the anticipated 14 — while simultaneously decreasing staff resources by 14 percent in this area. Several of the cases had been ongoing for two or three years, which partly accounted for the lower costs since research and arguments for briefs had been developed in previous fiscal years. Equally important, however, a more seasoned legal staff processed cases more efficiently.

Anticipating further budget cuts in fiscal year 1982, the Commission continued to look for new ways to reduce costs. For example, it purchased a machine to make paper copies from microfilm because the original vendor stopped providing the service and alternative contractors were substantially more expensive. The Commission estimated that the new machine would save thousands of dollars in fiscal year 1982, its first full year of operation.

### **Fiscal Year 1982**

During April 1981, the Commission testified on the fiscal year 1982 budget request before the Senate Appropriations Committee, the Senate Committee on Rules and Administration, the House Committee on Administration and the House Appropriations

Committee. Commission Chairman John Warren McGarry requested an \$11.1 million appropriation, advising the committees that there were many cost increases over which the Commission had no control. He stated, "Our rent has increased by over 50 percent, our copying and microfilm costs have risen substantially and our employees receive pay raises each October. The Commission can do nothing to avoid or reduce these cost increases."

Vice Chairman Frank P. Reiche, as Chairman of the Commission's Budget Task Force, testified that during the past two fiscal years the Commission had been forced to cut basic programs in order to pay for unexpected increases in the cost of supplies and Congressionally mandated expenditures.

### **Merit Pay Program**

In 1981, the Commission instituted a merit pay program, as required by the Civil Service Reform Act of 1978. The program allowed the Commission to acknowledge the efforts of senior management staff who performed beyond normally expected standards of efficiency and productivity. Approximately 33 Commission supervisors and management officials received merit pay raises commensurate with their individual performances, rather than receiving the standard government within-grade increases. To implement the program, the Commission developed performance standards for each merit pay position, which described critical job elements and established competency levels. Participating employees received an evaluation of their service based on the standards. The results of the appraisal directly determined the amount of the participants' pay raises. While last-minute, government-wide changes required by the Office of Personnel Management reduced the amount of the merit pay pool, the Commission met its statutory requirements for the year by effecting all merit pay increases by the end of 1981, retroactive to the first pay period after October 1.

## **Labor/Management Relations**

The Commission's first collective bargaining agreement negotiated with Chapter 204 of the National Treasury Employees Union came up for renewal in June 1981. As a result, the Commission spent most of the first half of the year preparing to renegotiate the original contract. After an exchange of proposals in May, negotiating teams for both parties began actual bargaining on June 8, 1981. After some six months of bargaining, the parties reached tentative agreement on a majority of issues and, at the close of 1981, were arranging for third-party mediation assistance to resolve the remaining contract articles.

# Appendix 1

## Biographical Data on Commissioners and Statutory Officers

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### Commissioners

#### **John Warren McGarry, Chairman** **April 30, 1983<sup>1</sup>**

Mr. McGarry, a native of Massachusetts, graduated cum laude from Holy Cross College in 1952. He subsequently did graduate work at Boston University and obtained a Juris Doctor degree from Georgetown Law Center in 1959. From 1959 through 1962, Mr. McGarry was assistant attorney general of Massachusetts. In that capacity he served as both trial counsel and appellate advocate. Following his tenure in office, he combined private law practice with service as chief counsel for the Special Committee to Investigate Campaign Expenditures of the U.S. House of Representatives. This committee was created by special resolution every election year through 1972 in order to oversee House elections. From 1973 until his appointment to the Commission on October 25, 1978, Mr. McGarry served as special counsel on elections to the Committee on House Administration of the U.S. Congress.

#### **Frank P. Reiche, Vice Chairman** **April 30, 1985**

Before his appointment to the Commission in July 1979, Mr. Reiche served as chairman of the first New Jersey Election Law Enforcement Commission for six years. Prior to that, Mr. Reiche served in a variety of Republican party positions, including eight years as a Republican county committeeman. An attorney specializing in tax law, Mr. Reiche graduated from Columbia University Law School in 1959 and received a Master of Laws degree in taxation from New York University in 1966. Prior to that, he received his A.B. from Williams College in 1951 and a Masters Degree in Foreign Affairs from George Washington University in 1959. He also served as a member of New Jersey Governor William T. Cahill's blue ribbon Tax Policy Committee

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<sup>1</sup>Term expiration date.

from 1970 to 1972. Mr. Reiche was a partner in the Princeton law firm of Smith, Stratton, Wise and Heher from 1964 until his appointment to the Commission. In January 1982, he was elected as Chairman of the Commission for a one-year term.

**Joan D. Aikens**  
**April 30, 1983**

Mrs. Aikens served as Commission Chairman between May 1978 and May 1979. She was formerly vice president of Lew Hodges/Communications, a public relations firm located in Valley Forge, Pennsylvania. From 1972 until 1974, she was president of the Pennsylvania Council of Republican Women and served on the board of directors of the National Federation of Republican Women. A native of Delaware County, Pennsylvania, Mrs. Aikens has been active in a variety of volunteer organizations. She received her B.A. and honorary Doctor of Laws degree from Ursinus College, Collegeville, Pennsylvania.

Commissioner Aikens' original appointment to the Federal Election Commission in 1975 was for a one-year term. She was reappointed for five years when the FEC was reconstituted and, when that term expired in April 1981, continued to serve until receiving a recess appointment from President Reagan. On December 17, 1981, the President named Mrs. Aikens to complete the term of former Commissioner Max Friedersdorf, who resigned in December 1980. (During 1981, Commissioner Vernon Thomson, serving as an interim appointee, had held Mr. Friedersdorf's seat.)

**Thomas E. Harris**  
**April 30, 1985**

Mr. Harris was Commission Chairman between May 1977 and May 1978. Before serving on the Commission, he was associate general counsel to the

AFL-CIO in Washington, D.C., from 1955 to 1975. He had held the same position with the CIO from 1948 until it merged with the AFL in 1955. Prior to that, he was an attorney in private practice and with various government agencies. A native of Little Rock and a 1932 graduate of the University of Arkansas, Mr. Harris is a 1935 graduate of Columbia University Law School, where he was on the Law Review and was a Kent Scholar. After graduation, he clerked one year for Supreme Court Justice Harlan F. Stone.

Mr. Harris was originally appointed to the Commission for a four-year term and upon reconstitution received a three-year appointment. In 1979, President Carter reappointed him and, on June 19, 1979, the U.S. Senate reconfirmed Mr. Harris for a six-year term.

**Vernon W. Thomson**  
**Interim Appointment**

A former member of Congress from Wisconsin (1961-75), Mr. Thomson was one of the original Commissioners of the FEC, serving between 1975 and 1979. He was Chairman of the Commission between 1976 and 1977. Before his election to Congress in 1960, Mr. Thomson served as Governor of Wisconsin (1957-59). He was a member of the Wisconsin State Assembly for 16 years, serving three consecutive terms as Speaker. In addition, he served three terms as attorney general of Wisconsin and was elected assistant district attorney of Richland County and city attorney and Mayor of Richland Center. He holds a B.A. from the University of Wisconsin and received his law degree from the University of Wisconsin Law School.

Mr. Thomson received an interim appointment from President Carter in January 1981 to fill the seat of former Commissioner Max Friedersdorf, who resigned in December 1980. Mr. Thomson continued to serve as Commissioner until December 1981, when President Reagan named Mrs. Joan Aikens to complete Mr. Friedersdorf's term.

**Robert O. Tiernan****April 30, 1981**

Mr. Tiernan was Commission Chairman between May 1979 and May 1980. He served as a Democratic Member of Congress from Rhode Island for eight years and, prior to that, as a State legislator for seven years. He was born in Providence, Rhode Island, and graduated from Providence College and Catholic University Law School. Mr. Tiernan has been admitted to practice in all Federal courts, the State of Rhode Island and the District of Columbia. He has held various national and State party positions. Originally appointed for two years, he received a five-year term upon reconstitution of the Commission. In August 1980, the American Bar Association appointed Mr. Tiernan to serve a one-year term as a member of its advisory commission to the Special Committee on Election Law and Voter Participation.

Mr. Tiernan continued to serve as Commissioner until December 1981, when President Reagan named new Commissioners in recess appointments.

**Lee Ann Elliott****April 30, 1987**

Before her appointment to the Commission in December 1981, Mrs. Elliott served as vice president of Bishop, Byrant & Associates, Inc., of Washington, D.C. From 1970 to 1979, Mrs. Elliott was associate executive director of the American Medical Political Action Committee, having served as assistant director from 1961 to 1970. Mrs. Elliott also served on the board of directors of the American Association of Political Consultants and of the Chicago Area Public Affairs Group, of which she is a past president. She was a member of the Public Affairs Committee of the Chamber of Commerce of the United States. In 1979, she received the Award for Excellence in Serving Corporate Public Affairs from the National Association of Manufacturers. Mrs. Elliott, a native of St. Louis, Missouri, holds a B.A. from the University of Illinois and completed the Medical Association Management Executives Program at Northwestern University.

**Danny Lee McDonald****April 30, 1987**

Before his appointment to the Commission in December 1981, Mr. McDonald served as general administrator of the Oklahoma Corporation Commission. In this position, assumed in 1979, he was responsible for the management of 10 regulatory divisions. He was secretary of the Tulsa County Election Board from 1974 to 1979 and served as chief clerk of the board in 1973. He has also served as a member of the Advisory Panel to the FEC's National Clearinghouse on Election Administration. A native of Sand Springs, Oklahoma, Mr. McDonald holds a B.A. from Oklahoma State University and attended the John F. Kennedy School of Government at Harvard University. He was elected for a one-year term as Vice Chairman of the Commission on January 7, 1982.



## Ex Officio Commissioners

### Edmund L. Henshaw, Jr.

Mr. Henshaw, an Ex Officio Member of the Commission, was elected Clerk of the House of Representatives on December 17, 1975. Prior to that, he served as executive director of the Democratic National Congressional Campaign Committee from 1972 to 1975, and as research director of the Democratic National Congressional Campaign Committee from 1955 to 1972. He received a B.S. degree from the University of Maryland in 1954 and attended George Washington University Law School from 1955 to 1956.

Douglas Patton, attorney, continued to serve as Special Deputy to the Clerk of the House at the Commission.

### William F. Hildenbrand

Mr. Hildenbrand, an Ex Officio Member of the Commission, was elected Secretary of the Senate in January 1981, after serving as Secretary for the Minority since 1974. A native of Pottstown, Pennsylvania, Mr. Hildenbrand began his government service in 1957 as assistant to Congressman Harry G. Haskell, Jr. From 1959 to 1960, he served as Congressional liaison officer for the former Department of Health, Education and Welfare. He then became legislative assistant to Senator J. Caleb Boggs of Delaware. From 1969 to 1974, he served as administrative assistant to Senator Hugh Scott of Pennsylvania, the former Senate Republican Minority Leader.

Thomas J. Josefiak, attorney, serves as Special Deputy to the Secretary of the Senate at the Commission.

## Statutory Officers

### B. Allen Clutter, III, Staff Director

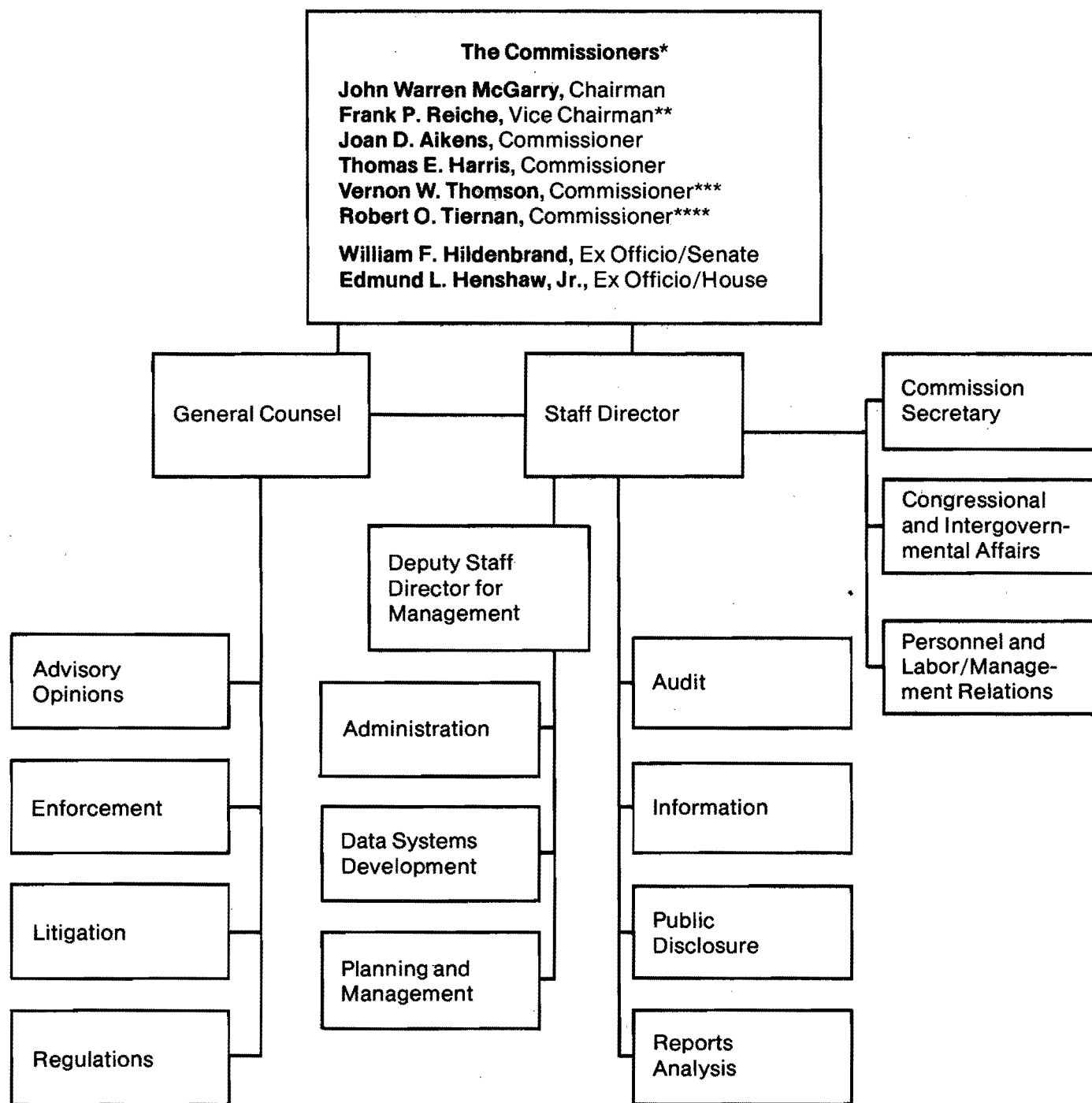
Before joining the Commission, Mr. Clutter was the executive director of the Minnesota Ethical Practices Board and also served as faculty member of the Hamline University Law School. Prior to this, Mr. Clutter was an assistant professor at the U.S. Air Force Academy and served with the Air Force administrative units in Thailand and California. He also worked with the World Press Institute of Macalester College in St. Paul, Minnesota. A native of Oskaloosa, Iowa, he received a graduate degree in geography from Eastern Michigan University and attended business administration courses at the University of Colorado. Mr. Clutter was listed among the Outstanding Young Men in America in 1978.

### Charles N. Steele, General Counsel

Mr. Steele became General Counsel in December 1979, after serving as acting General Counsel during November 1979. Before this, he was Associate General Counsel for Enforcement and Litigation from April 1977 through October 1979. Mr. Steele received an A.B. from Harvard College in 1960 and an LL.B. from Harvard Law School in 1965. Prior to joining the Commission in January 1976, Mr. Steele was a staff attorney with the appellate court branch of the National Labor Relations Board.

## Appendix 2 FEC Organization Chart

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\*President Reagan, on December 17, 1981, named three Commissioners in recess appointments: Joan D. Aikens, Lee Ann Elliott and Danny Lee McDonald.

\*\*Commissioner Reiche was elected to a one-year term as Commission Chairman on January 7, 1982. Commissioner McDonald was elected to a one-year term as Vice Chairman.

\*\*\*Commissioner Thomson, an interim appointee, served as Commissioner from January 5, 1981, until the Presidential recess appointments in December.

\*\*\*\*Commissioner Tiernan's term expired on April 30, 1981. However, he continued to serve until December 1981, when the President signed the new Commission appointments.

# Appendix 3 Public Funding Statistics

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## Primary Matching Fund Program

Candidate	Date Eligibility Established	Amount Requested	Amount Certified	Percentage of Request Matched	Total Qualified Campaign Expenses Incurred*	Total Repayment Requested
Anderson	2/4/80	\$ 2,895,484	\$ 2,680,347	92.6%	\$ 5,873,493	\$ 404,024
Baker	11/1/79	2,699,562	2,635,043	97.6%	3,403,640	104,075
Brown	1/21/80	996,153	892,249	89.6%	2,179,774	18,051
Bush	1/2/80	6,373,497	5,716,247	89.7%	13,509,973	39,691
Carter	11/20/79	5,490,096	5,117,854	93.2%	13,770,529	104,301
Crane	1/18/80	2,140,551	1,899,632	88.8%	5,464,503	0
Dole	1/15/80	467,117	446,226	95.5%	1,254,170	3,369
Kennedy	1/3/80	4,447,033	4,134,816	93.0%	10,851,356	238,168
LaRouche	12/18/79	592,982	526,253	88.8%	2,134,998	111,698
Reagan	1/14/80	8,254,771	7,294,462	88.4%	14,319,539	1,368,199
<b>Total</b>		<b>\$ 34,357,246</b>	<b>\$ 31,343,129</b>	<b>91.2%(Av.)</b>	<b>\$ 72,761,975</b>	<b>\$ 2,391,576</b>

\*Reported as of February 1982.

## Convention Funding

Convention Committee	Date Agreement Submitted	Date Payments Certified	Amount Certified	Total Convention Expenses	Total Repayments Requested
Arrangements Committee of the 1980 Republican National Convention	6/1/79	6/28/79 2/20/80	\$ 750,000 3,666,000 \$ 4,416,000	\$ 4,400,241	\$ 15,759
1980 Democratic National Convention Committee, Inc.	8/6/79	8/16/79 1/14/80 2/13/80	\$ 300,000 3,669,000 447,000 \$ 4,416,000	\$ 3,684,335	\$ 731,665
<b>Total</b>			<b>\$ 8,832,000</b>	<b>\$ 8,084,576</b>	<b>\$ 747,424</b>

**General Election Funding**

<b>Presidential/Vice Presidential Nominees</b>	<b>Date Agreement Submitted</b>	<b>Date Payments Certified</b>	<b>Amount Certified</b>	<b>Total Qualified Campaign Expenses Incurred*</b>	<b>Total Repayments Requested</b>
Ronald Reagan George Bush	7/18/80	7/24/80	\$ 29,440,000	\$ 29,419,492	\$ 251,122
Jimmy Carter Walter Mondale	8/18/80	8/21/80	\$ 29,440,000	\$ 29,341,935	\$ 87,232
John Anderson Patrick Lucey	8/29/80 10/18/80	11/13/80 1/8/81	\$ 4,164,906 77,398 \$ 4,242,304	\$ 16,664,879	\$ 639,950
<b>Total</b>			\$ 63,122,304	\$ 75,426,306	\$ 978,304

\* Reported as of February 1982.

## Appendix 4

### Chronology of Events, 1981

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#### January

- 1 — Commissioners John Warren McGarry and Frank P. Reiche begin their terms, respectively, as Commission Chairman and Vice Chairman.
- 2 — Commissioner Vernon W. Thomson receives interim appointment as Commissioner.
- 8 — Commission certifies \$4,242,304 in Federal funds for the general election campaign of new party Presidential nominee John Anderson and his running mate, Patrick Lucey.
- 13 — Commission releases updated figures on 1979-80 financial activity of nonparty, noncandidate committees.
- 16 — Commission releases updated figures on the growth of nonparty, noncandidate committees.
  - Commission releases updated figures on 1979-80 financial activity of House and Senate candidates.
- 29 — Commission adopts procedures for certifying final matching fund payments to Presidential primary candidates.
- 31 — 1980 year-end report due.

#### February

- 1 — Commission announces availability of card index that consolidates information on Commission advisory opinions, completed compliance cases and completed audits.
  - Commission issues updated edition of its *Campaign Finance and Federal Elections Bibliography*.
- 23-24 — Advisory Panel of the Commission's Clearinghouse on Election Administration meets in Washington.
- 26 — Commission approves new guidelines on filing complaints and adopts procedures for extending deadlines in enforcement proceedings.

### March

- 1 — William F. Hildenbrand, newly elected Secretary of the Senate, assumes position as Ex-Officio Member of the Commission and designates Thomas J. Josefiak as his Special Deputy to the Commission.
- Commission publishes revised edition of the *Campaign Guide for Party Committees*.
- Commission makes available computer tapes containing final information on 1977-78 campaign finances of party and nonparty (noncandidate) committees.
- Commission makes available microfilm cartridge containing audit reports issued between 1975 and 1980.
- Commission issues updated edition of its cumulative *Index to Advisory Opinions*.
- 2 — D.C. Court of Appeals dismisses *Committee for Jimmy Carter v. FEC* since the parties reached settlement concerning 1976 primary matching funds.
- 11 — D.C. District Court denies plaintiffs' motion to find the Commission in contempt of court for pursuing an investigation in *Felice Gelman and Citizens for LaRouche v. FEC*.
- 15 — D.C. District Court dismisses with prejudice *George Finn v. FEC*.
- 19 — District Court for the Southern District of New York denies a preliminary injunction sought by Reader's Digest Association, Inc. to bar a Commission investigation.
- 24 — Michigan holds special primary election in its Fourth Congressional District.
- 29 — Commission appoints Director of Congressional, Legislative and Intergovernmental Affairs within the Staff Director's office.
- Commission releases updated figures on 1979-80 financial activity of House and Senate candidates and nonparty, noncandidate committees.

### April

- 7 — Maryland holds special primary election in its Fifth Congressional District.
- 10 — District Court for the District of Maine dismisses *John Anderson v. FEC* in response to plaintiffs' motion.
- 19 — Commission appoints new Deputy Staff Director for Management.
- 21 — D.C. District Court upholds Commission action in a complaint in *Richard Kay v. FEC*.
- Michigan holds special general election in its Fourth Congressional District.
- 24 — D.C. District Court requires defendant to comply with a conciliation agreement in *FEC v. Daniel Minchew*.

### May

- 7 — Commission Chairman John Warren McGarry testifies before the Senate Committee on Rules and Administration on the impact of media projections on voter turnout.
- 19 — D.C. Court of Appeals rules, in *FEC v. Machinists* and *FEC v. Citizens for Democratic Alternatives*, that "draft committees" are not subject to the election law's contribution limits but must comply with reporting requirements.
- Maryland holds special general election in its Fifth Congressional District.

### June

- 1 — Commission submits to the President and Congress its *Annual Report* for 1980.
- 2 — Ohio holds special primary election in its Fourth Congressional District.
- 23 — Mississippi holds special election in its Fourth Congressional District.
- 25 — Ohio holds special general election in its Fourth Congressional District.
- 26 — Supreme Court upholds \$5,000 limit on contributions to political committees in *California Medical Association v. FEC*.

**July**

- 2 — Supreme Court dismisses an appeal brought by T. Bertram Lance to stop enforcement of an FEC subpoena.
- 7 — Mississippi holds special runoff election in its Fourth Congressional District.
- 16 — D.C. District Court denies the Commission's petition for enforcement of subpoenas in *FEC v. Phillips Publishing, Inc.*
- 17 — Commission releases updated figures on the growth of nonparty, noncandidate committees.
- 21 — Pennsylvania holds special election in its Third Congressional District.
- 31 — Semiannual report due.

**August**

- 1 — Commission releases updated edition of its cumulative *Index to Advisory Opinions*.
- 4 — Commission releases updated figures on 1979-80 financial activity of nonparty, noncandidate committees.
- 10 — Commission releases updated figures on 1979-80 financial activity of House and Senate candidates.
- 17 — Commission approves new guidelines for administrative termination of registered political committees.
- 27 — Commission votes to submit to the Office of Management and Budget a \$10,545,642 request for fiscal year 1983.
- 28 — Commission recommends legislative amendment that would clarify FEC jurisdiction over "draft committee" activities.

**September**

- 4 — D.C. Court of Appeals rules on the definition of "member" in consolidated cases brought by the FEC and the National Right to Work Committee.
- 22 — District Court for the Southern District of New York rules that the Communist Party, U.S.A. does not have to comply with the election law's disclosure requirements in *FEC v. Hall-Tyner Election Campaign Committee*.
- 23 — D.C. District Court upholds Commission determination in a complaint challenged in *Jon Epstein v. FEC*.

**October**

- 1 — Congress repeals the \$25,000 annual limit on honoraria.
  - Commission issues updated edition of *Campaign Finance and Federal Elections Bibliography*.
- 5 — Commission releases the 1979-80 *FEC Index of Communication Costs*.
- 13 — Supreme Court denies Commission petition for a writ of *certiorari* in two suits brought by the Commission against "draft committees."
- 26 — Commission holds public hearing on possible revisions to its regulations on non-partisan communications made by corporations and labor organizations to the public.
- 30 — District Court for the Southern District of New York dismisses *Reader's Digest Association, Inc. v. FEC*.

## November

- 10 — Supreme Court upholds Commission determination in a complaint concerning party spending limits in consolidated cases brought by the FEC and the National Republican Senatorial Committee against the Democratic Senatorial Campaign Committee.
- 15 — Commission releases *1979-80 FEC Report on Financial Activity for Presidential Pre-Nomination Campaigns*.
- 20 — D.C. Court of Appeals affirms the Commission's dismissal of a complaint challenged in *Archie Brown v. FEC*.
- 23 — Chairman John Warren McGarry testifies before the Senate Committee on Rules and Administration on proposals to amend the Federal Election Campaign Act.
  - Connecticut holds special major party nominating conventions in its First Congressional District.
- 29 — Commission releases *1979-80 FEC Index of Independent Expenditures*.

## December

- 1 — D.C. Court of Appeals upholds Commission dismissal of a complaint in *Richard Kay v. FEC*.
  - Commission issues updated edition of its cumulative *Index to Advisory Opinions*.
- 8 — D.C. Court of Appeals dismisses constitutional challenges to contribution limits in *National Conservative Political Action Committee and Rhonda Stahlman v. FEC*.
- 10 — D.C. Court of Appeals denies injunction sought by the Reagan Bush committee to stop the Commission's release of an audit report.
- 15 — Connecticut holds special primary election in its First Congressional District.
- 17 — In interim appointments, President Reagan names Joan D. Aikens, Lee Ann Elliott and Danny Lee McDonald as Commissioners.
- 21 — D.C. District Court resolves Kennedy for President Committee's claims against the FEC.



## Appendix 5 The FEC's Budget<sup>1</sup>

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The table and graph below compare budget allocations, by function and division, for fiscal years 1980 and 1981. In fiscal year 1980, the Commission received appropriations totaling \$8.946 million, including an annual appropriation of \$8.646 million and a supplemental appropriation of \$300,000 to cover the October 1979 cost-of-living increase. In fiscal year 1981, the Commission's funding totaled \$9.662 million. The Commission operated during the entire fiscal year under a continuing resolution of \$9.283 million and received a supplemental appropriation of \$379,000 to compensate for the October 1980 cost-of-living increase. The table below compares functional cate-

### FEC Budget Functional Allocation

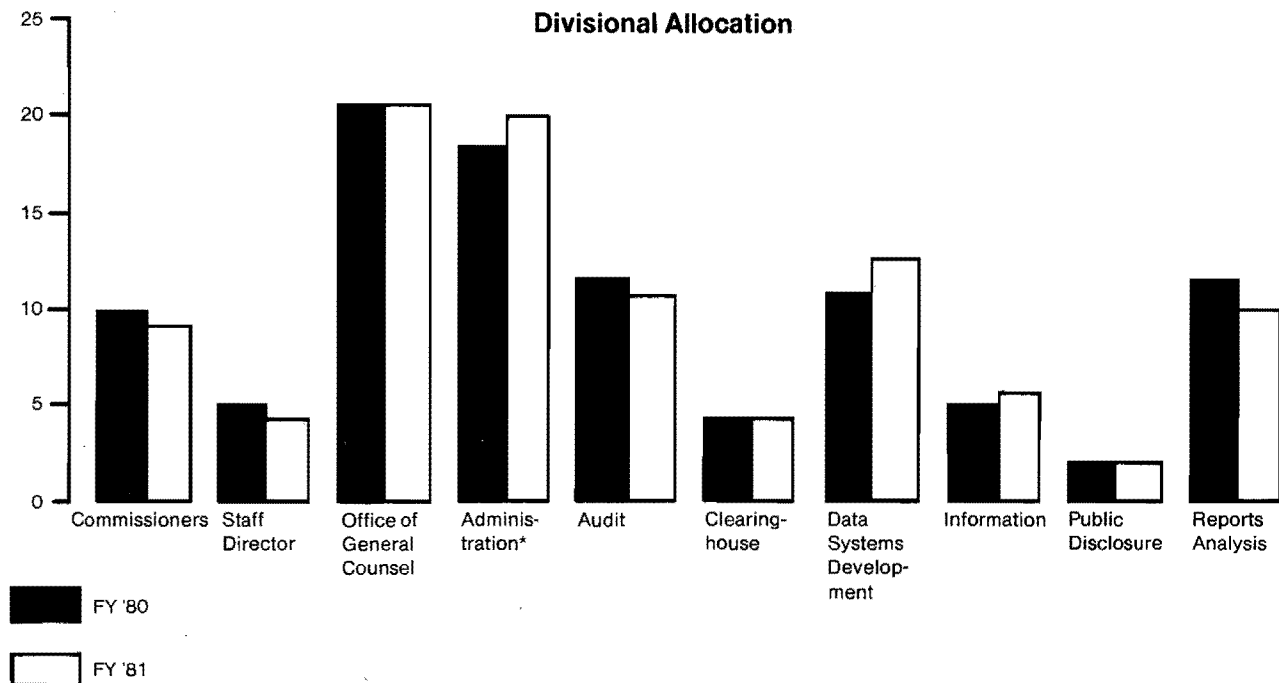
	FY 80	FY 81
Personnel Compensation, Including Benefits	\$ 6,462,187	\$ 6,983,704
Travel	219,333	94,462
Transportation and Motor Pool	10,250	10,036
Commercial Space	11,917	13,710
Equipment Rental	206,120	175,534
Printing	349,248	314,964
Contracts	738,486	910,513
Administrative Expenses	62,820	55,281
Supplies	123,411	129,253
Library Materials	23,172	40,464
Telephone, Telegraph	168,618	166,819
Postage	101,453	81,999
Space Rental	364,308	366,806
Equipment Purchases	41,435	233,816
Training	12,459	38,881
GSA, Services, Other	44,523	38,001
<b>Total</b>	<b>\$ 8,939,740*</b>	<b>\$ 9,654,243*</b>

\*Unexpended funds were returned to the U.S. Treasury.

<sup>1</sup>This appendix differs from the budget appendices in past annual reports in that it does not present figures for future fiscal years.

gories of expenditures for fiscal years 1980 and 1981. The graph below compares the budget allocations among Commission divisions for fiscal years 1980 and 1981.

Percent of  
Total Budget



\*Administration budget includes rent, supplies, reproduction services, etc. for the entire Commission.

# Appendix 6 Statistics on Commission Operations

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## Summary of Disclosure Files

	Total Filers Existing in 1981	Filers Terminated as of 12/31/81	Filers Waived as of 12/31/81	Continuing Filers as of 12/31/81	Number of Reports and Statements in 1981	Gross Receipts in 1981	Gross Expenditures in 1981
<b>Presidential</b>					535	\$ 6,132,440	\$ 12,414,390
Candidates Committees	140 192	120 30	1 0	19 162			
<b>Senate</b>					1,012	\$ 40,183,550	\$ 24,362,080
Candidates Committees	476 546	271 97	2 0	203 449			
<b>House</b>					4,261	\$ 39,421,617	\$ 30,053,349
Candidates Committees	1,894 2,099	1,150 446	4 0	740 1,653			
<b>Party</b>	431	131	0	562	1,166	\$205,656,414	\$158,808,192
National Level Committees	53	9	0	44			
State Level Committees	189	44	0	145			
Local Level Committees	315	76	0	239			
Convention Committees	5	2	0	3			
<b>Delegates</b>	23	10	0	13	25	\$ 6,248	\$ 7,482
<b>Nonparty</b>	3,034	133	0	2,901	9,788	\$ 81,914,050	\$ 54,796,292
Labor Committees	340	22	0	318			
Corporate Committees	1,363	36	0	1,327			
Membership, Trade & Other Committees	1,331	75	0	1,256			
<b>Communication Cost Filers</b>	63	N/A	N/A	N/A	87	N/A	\$ 37,332
<b>Independent Expenditures by Persons Other Than Political Committees</b>	193	N/A	N/A	N/A	210	N/A	\$ 133,270

### Divisional Statistics\*

<b>Reports Analysis Division</b>	
Documents receiving Pass I** coding	48,233
Documents receiving Pass III** coding	16,814
Reports reviewed	32,782
Requests for additional information	3,338
Names of candidate committees published for failure to file reports	1,041
Compliance matters referred to the Office of General Counsel or Audit Division	79
<b>Data Systems Development Division</b>	
Documents receiving Pass I** entry	48,233
Documents receiving Pass III** entry	16,978
Transactions receiving Pass III entry	292,565
<b>Audits Completed by Audit Division, 1975-1981</b>	
Presidential	43
Presidential Joint Fundraising	5
Senate	11
House	97
Party (National)	34
Party (Other)	75
Nonparty	42
Total	307

\*In contrast to previous annual reports, figures represent fiscal year, rather than calendar year, totals.

Computer coding and entry of campaign finance information occurs in two phases. In the first phase, Pass I, summary information, including microfilm location, total receipts and total disbursements, is coded and entered into the computer within 48 hours of the Commission's receipt of the report. During the second phase, Pass III, itemized information is coded and entered.

<b>Public Records Office</b>	
Campaign finance reports made available to the public (total pages)	611,832
Visitors served	6,691
Responses to requests for campaign finance reports	5,539
Total people served	12,230
Responses to other requests for information	10,590
Total income (transmitted to U.S. Treasurer)	\$ 40,944
Cumulative total pages of documents available for review	3,700,000
<b>Information Services Division</b>	
Telephone inquiries	42,888
General information letters	288
Requests for FEC materials	8,395
Visitors	145
Informational mailings	17
Public appearances by Commissioners and FEC staff	38
Press releases	111
Telephone inquiries from press	6,508
Visitors to press office	873
Freedom of Information Act requests	107
Number of publications	20
Assistance to Secretaries of State (State election offices)	1,272
Notices of failure to file with State election offices	579
<b>Clearinghouse on Election Administration</b>	
Telephone inquiries	2,541
Information letters	1,355
Visitors	67
Workshops	15

**Office of General Counsel\***

	Fiscal Year 1981
<b>Advisory Opinions</b>	
Requests pending at beginning of FY 81	16
Requests received in FY 81	76
Issued, closed or withdrawn in FY 81	78**
Pending at end of FY 81	14
<b>Compliance Cases***</b>	
Pending at beginning of FY 81	175
Opened during FY 81	112
Closed during FY 81	191
Pending at close of FY 81	96
<b>Litigation</b>	
Pending at beginning of FY 81	34
Opened during FY 81	27
Closed during FY 81	26
Pending at close of FY 81	35
Number of cases won	20
Number of cases lost	2
Voluntary dismissals	3
Dismissed as moot	1
<b>Law Library</b>	
Telephone inquiries	1,821
Vistors served	682

\*In contrast to previous annual reports, figures represent fiscal year, rather than calendar year, totals.

\*\*68 opinions were issued; 10 opinion requests were withdrawn or closed without issuance of an opinion.

\*\*\*Compliance cases, referred to as MURs (matters under review), stem from possible violations of the election law which come to the Commission's attention either through formal complaints filed with the Commission or as a result of the Commission's own internal monitoring procedures. The Federal Election Campaign Act requires that investigations remain confidential until the Commission makes a final determination and the case is closed. At that point, the case file (including the complaint, the findings of the General Counsel's Office and the Commission's action) is made available to the public.

# Appendix 7 FEC Federal Register Notices, 1981

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Notice*	Title	Federal Register Publication Date	Citation
1981-1	Clearinghouse on Election Administration; Clearinghouse Advisory Panel Meeting	1/27/81	46 Fed. Reg. 8723
1981-2	Filing Dates for Michigan Special Primary and General Elections	2/24/81	46 Fed. Reg. 13810
1981-3	Filing Dates for Maryland Special General Elections	3/11/81	46 Fed. Reg. 16131
1981-4	Filing Dates for Michigan Special Primary and General Elections (Amended Notice)	3/11/81	46 Fed. Reg. 16131
1981-5	Filing dates for Mississippi Special and Runoff Elections	4/15/81	46 Fed. Reg. 22039
1981-6	Filing dates for Ohio Special Primary and General Elections	5/4/81	46 Fed. Reg. 24993
1981-7	Filing Dates for Pennsylvania Special Election	5/29/81	46 Fed. Reg. 28942

Notice*	Title	Federal Register Publication Date	Citation
1981-8	11 CFR Part 114, Communications by Corporations and Labor Organizations (Notice of Proposed Rulemaking and Corrections to Notice)	9/8/81	46 Fed. Reg. 44964 and 45784
1981-9	11 CFR Part 102, Transfers, Collecting Agents and Joint Fundraising (Notice of Proposed Rulemaking)	9/30/81	46 Fed. Reg. 48074
1981-10	11 CFR Part 114, Communications by Corporations and Labor Organizations (Announcement of Public Hearing on October 26, 1981)	9/30/81	46 Fed. Reg. 47800
1981-11	Filing Dates for Connecticut Special Elections	10/2/81	46 Fed. Reg. 48759
1981-12	Rulemaking Petition: Notice of Availability (re: revising FEC Regulations on independent expenditures)	12/9/81	46 Fed. Reg. 60273

\*This appendix does not include *Federal Register* notices of Commission meetings published under the Government in the Sunshine Act.

## Appendix 8 Computer Indexes

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By means of the Commission's immediate-access computer system, the Public Records Office makes available printouts of the following major disclosure indexes:

### **A Index: Names and Addresses of Candidates**

Sorted by type of office sought (President, U.S. Senator, U.S. Representative) and alphabetically by last name or by State/Congressional district.

### **B Index: Names and Addresses of Committees**

Includes name of connected organization, name of treasurer, committee ID number, notation if it is "qualified" as a multicandidate committee, and filing frequency. This index can be sorted alphabetically by committee name, by committee ID number, and by type (Presidential, Senate, House, party, nonparty).

### **C Index: Disclosure Documents Filed by Political Committees**

Includes, for each committee, its name, ID number, list of each document filed (name of report, period receipts, period disbursements, coverage dates, number of pages and microfilm location), total gross receipts and disbursements, and number of pages.

### **D Index: Index of Political Committee**

#### **Contributions to and Expenditures for Candidates**

Includes, for each committee, its name, ID number, name of connected organization, notation if it is "qualified" as a multicandidate committee, and a listing of all Federal candidates supported, together with total aggregate contributions to or expenditures on behalf of each candidate (1977-78, 1979-80 or 1981-82). In the case of party committees, coordinated party expenditures (2 U.S.C. Section 441a(d)) are listed in place of independent expenditures.

### **E Index: Index of Candidates and Supporting Committees**

Includes for each candidate the following:

1. Candidate name, district/State, party affiliation and candidate ID number.
2. Listing of all documents filed by the candidate (type, coverage dates, period receipts, period disbursements, number of pages, microfilm location).
3. Listing of all documents filed by the principal campaign committee (see C Index for explanation).
4. Listing of all documents filed by other authorized committees of the candidate.
5. Listing of all committees (other than those authorized by the candidate) forwarding contributions to the candidate, the principal campaign committee, or an authorized committee, and the aggregate total of such contributions given to date. This listing also identifies committees making expenditures on behalf of the candidate; or party committees making coordinated party expenditures (2 U.S.C. Section 441a(d)), including the aggregate total spent to date.
6. Listing of all persons or unauthorized single-candidate committees filing reports indicating they made independent expenditures on behalf of the candidate.
7. Listing of all persons or committees filing unauthorized delegate reports.
8. Listing of all corporations or labor organizations filing reports of communication costs on behalf of the candidate.
9. Listing of all unauthorized single-candidate committees registering support for or against a candidate. The listing also identifies the committee's receipts and disbursements for the report period covered.

### **G Index: Index of Itemized Transactions for Each Candidate and Political Committee**

Identifies the amount of itemized receipt and disbursement transactions, the report on which the

transactions were disclosed and the microfilm location of the transactions. Five categories are represented:

1. Individual transactions, including individual contributions and loan activity.
2. Selected loan and loan repayment transactions, including loans from banks.
3. Unregistered political organization transactions, that is, contributions to candidates from organizations that are not registered under the election law.
4. Corporate refund/rebate transactions with itemized receipts showing refunds of deposits.
5. Transactions among registered candidates/committees, including contributions, loans and transfers.

### **H Index: Index of Presidential Candidates and Supporting Committees**

Similar to the E Index, but lists party and nonparty contributions as reported by the candidate's authorized committees.

### **Y Index: Special Inquiry**

In addition to the above major indexes, the special capability of the Y Index contains approximately 30 separate programs that may be used to locate, retrieve or display individual items or categories of information. An example is the *Text* search capability. The user enters a word or phrase, and the computer searches and lists all political committee titles that include the word or phrase. Another example is the *Treasurer's Name* search capability. By indicating the last name of a person, the computer searches and lists all political committee treasurers with the same last name.

### **Other Indexes**

In addition to the above indexes, available upon request, the Commission produces other types of computer indexes on a periodic basis (e.g., an index of communication costs). These periodic indexes are available in the Public Records Office for inspection and copying.



## Appendix 9

### Clearinghouse Studies

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Listed below are Clearinghouse research projects. The publications — available at cost to the public — include both ongoing studies and the final products of completed research.

#### **Periodic Reports**

Because of budget constraints, the Commission discontinued publication of the following studies after October 1981.

*Election Law Updates*, a quarterly series cumulative through the calendar year, summarized all election code changes in each of the 50 States. The series was designed to provide up-to-date election code information to State legislators, court officials and election administrators. The series ended with the 1981 third-quarter edition.

*Election Case Law* reports, a quarterly series cumulative through the calendar year, summarized election cases in the State and Federal courts. The reports provided updates of judicial developments pertinent to elections. The series ended with the 1981 third-quarter edition.

*Campaign Finance Law* summarized campaign finance laws in each of the States as well as at the Federal level. The report also provided a convenient chart summary of State and Federal requirements. The series ended with the 1981 edition.

#### **Reports Completed in 1981**

*Voting Systems Users 81* is a compendium of all local jurisdictions in the United States, their voting age and registered voter populations, and the type of voting system they employ.

*Voting Systems Vendors 81* is a directory of all major voting equipment vendors in the United States with detailed technical specifications on each of their products.

### **Studies Underway in 1981**

*Voter Information and Education Programs 1* suggests inexpensive but effective ways for election officials to convey essential registration and election information to the public.

*Voter Information and Education Programs 2* suggests various methods for election officials to develop good voter education programs in the schools in cooperation with the educational community.

### **Previously Completed Reports**

The following publications, listed in previous annual reports, remain available.

*Statewide Registration Systems 1 & 2* is a report on computerized statewide voter registration systems. Volume I examines problems involved in implementing a statewide system and offers suggestions for overcoming them. Volume II describes in detail the forms, procedures, outputs and variations on the basic statewide computerized system.

*Contested Elections and Recounts* is a three-volume analysis of the laws and procedures governing contested elections and recounts for Federal offices. Volume I examines those issues and functions within the Federal government's purview and makes recommendations for improving the handling of contested elections at the Federal level. Volume II examines State issues and options and makes recommendations for improving the State handling of such cases. Volume III summarizes laws related to contested elections in each of the States and at the Federal level.

*Ballot Access* is a four-volume report on how candidates gain access to the ballot for Federal office in each of the States. Volume I identifies central administrative issues and problems and makes recommendations for improving the process. Volume II describes the administrative process in each State. Volume III details State legal memoranda and makes recommendations for improving the legal process. Volume IV briefly summarizes ballot access requirements for Federal office in each State.

*Mail Registration Systems* discusses problems involved in implementing a mail registration system. In addition to a general description of how mail registration systems operate, the report offers practical suggestions for overcoming difficulties.

*Bilingual Election Services* is a three-volume report on providing election services in languages other than English. Volume I summarizes such services since 1975. Volume II provides a glossary of common election terms in English along with their Spanish and dialectal equivalents. Volume III is a manual for local election officials. It offers practical advice on ways to identify the language problems in a jurisdiction and provide bilingual registration and balloting services.

*Election Administration* is a four-volume set introducing program planning, management and financial control concepts into local election administration. Volume I provides an overview of election functions and tasks and introduces the notion of a management cycle. Volume II focuses on planning, provides detailed task/activity checklists and flow diagrams, and demonstrates how tasks can be assigned. Volume III introduces a chart of accounts and demonstrates how budgets can be prepared and costs monitored by applying the chart to each election function. Volume IV is a set of legal memoranda summarizing State code processes with regard to administrative and budgeting responsibilities.

# Appendix 10

## FEC Information Services

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### General Assistance

Candidates, committees and the public may obtain information and materials (including publications listed below) from the FEC's Office of Public Communications. Contact the Commission in Washington, D.C., at 523-4068 or call toll free, 800/424-9530.

### Advisory Opinions

For questions relating to the application of the law to a specific, factual situation, any person may request an advisory opinion in writing. Requests for opinions and the opinions themselves are made public. A requesting person who in good faith acts in accordance with the advisory opinion will not be subject to any penalties with regard to the activity in question. 2 U.S.C. Section 437f(c)(2).

### Publications

- Federal Election Campaign Act
- FEC Regulations
- Registration Forms
- Reporting Forms
- *Record*, a monthly newsletter
- *Annual Report*
- *Campaign Guide for Congressional Candidates and Committees*
- *Campaign Guide for Party Committees*
- *House and Senate Bookkeeping Manual*
- *Guideline for Presentation in Good Order*
- *The FEC and the Federal Campaign Finance Law*, a brochure for the general public.

### Public Records Office

This office makes available to the public the documents listed below. Documents may be inspected at the Commission and copies purchased (10 cents per page for copies from microfilm and 5 cents per page for copies from paper files).

- Reports and statements filed by Federal candidates and committees (1972-present)<sup>1</sup>
- *FEC Reports on Financial Activity and Disclosure Series* (published indexes that consolidate and summarize data taken from financial disclosure reports)
- Daily updated computer printouts of various FEC indexes, as available
- Index of Multicandidate Political Committees
- Index of All Registered Political Committees
- Index of All Federal Candidates
- Index of Political Committees and Their Sponsors
- Index of Sponsors and Their Political Committees
- *Index to Advisory Opinions*
- *Campaign Finance and Federal Election Bibliography*
- MURs (closed compliance actions and index)
- Audits (GAO 1972-74, FEC 1975-present)
- Court cases
- *Financial Control and Compliance Manual for Presidential Candidates Receiving Public Financing* (applies to Presidential primary candidates only)
- Information on contributions submitted by Presidential candidates to establish eligibility for primary matching funds.
- Presidential matching fund certifications
- Presidential and Vice Presidential personal financial disclosure statements filed under the Ethics in Government Act

- General information (newspaper articles, studies on campaign finance by other organizations, informational handouts)
- Commission information (Commission memoranda, Commission meeting agendas and agenda items, minutes of meetings, directives, bulletins, certifications of closed meetings, general distribution memoranda)

### Clearinghouse

The National Clearinghouse on Election Administration provides information to the public on the electoral process and publishes studies on election administration. For a list of publications, see Appendix 9.

### Commission Library

The Commission law library, part of the Office of General Counsel, is open to the public. The collection includes basic legal research tools plus materials dealing with political campaign finance, corporate and labor political activity and campaign finance reform. The library staff prepares an *Index to Advisory Opinions* and a *Campaign Finance and Federal Election Bibliography*, both available from the Public Records Office (see above).

In addition to a general reference section that includes the *Martindale-Hubbell Law Directory*, the Commission's library contains the resources outlined below.

**Book Collection.** The book collection contains election-related monographs and legal treatises with an emphasis on Federal civil procedures and administrative law and also includes legal research sets such as *American Jurisprudence 2d* and *American Law Reports 2d, 3d and 4th*.

**Periodical Collection.** The collection includes *Congressional Quarterly Weekly Reports*, *National Journal Reports*, *Harvard Law Review* and the *Congressional Record*.

<sup>1</sup>Anyone using such documents is reminded, however, of the election law's requirement that any information copied from reports and statements may not be sold or used for any commercial purpose, other than using the name and address of any political committee to solicit contributions from such a committee. 2 U.S.C. Section 438(a)(4).

*Journal Article File.* The journal article file contains photocopies of pertinent law review articles and Library of Congress Congressional Research Service reports.

*Looseleaf Service.* The two most important loose-leaf services housed in the library are: 1) *United States Law Week*, which is published by the Bureau of National Affairs (BNA) and includes recent Supreme Court and lower court decisions and 2) the *Federal Election Campaign Finance Guide*, published by Commerce Clearing House (CCH). The library also subscribes to the *Standard Federal Tax Reporter* (CCH), *Fair Employment Practice Service* (BNA) and *Corporation Law Guide* (CCH).

*Code Section.* This section contains major code materials required by the legal staff, including the *United States Code*; *United States Code Annotated*; *United States Code Service*; *United States Congressional and Administrative News*; *Code of Federal Regulations*; and *Daily Federal Register*.

*Reporter Section.* The collection of law reporters includes the *U.S. Supreme Court Reports* (Official, West and Lawyers' Edition copies); *Federal Reporter 2d*; *Supreme Court Digest* (Lawyers' Edition); *Federal Rules Decisions*; *Federal Supplement, U.S. App. D.C.*; and the slip opinions of the U.S. Court of Appeals for the D.C. Circuit.

*Federal Election Commission Document Center.* This section includes administrative material generated by the Commission and legislative material bearing on the establishment and operation of the Commission. For example, the section includes legislative histories of the Federal Election Campaign Act and amendments, transcripts of Commission hearings on regulations, and *Federal Register* notices.